UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 21. Section 1. April 25, 1922.

Secretary Wallace on Distribution Cost Reduction

The Associated Press to-day quotes Secretary Wallace as saying in an address before the National League of Women Voters, in Baltimore, last night: "The retail costs of distribution of food stuffs have grown steadily. The margin taken by the retailer is greater now probably than at any time in the past. Some increase in proper cost of distribution is to be expected, and is due to the congestion in distributing centers. Much of the increase in retail cost of distribution, however, is chargeable to the consumers themselves, and the blame must be placed mostly upon the women who do the buying. ... We find further that increases in cost of distributing meat in 1921, as compared with 1913, are 83 per cent greater. Increased wages account for the largest increase in meat distributing cost. Taking a miscellaneous assortment of meats in about the proportions used by the average family, we find that in 1913 764.2 pounds of this assortment could be bought for $100. The operating expense of the retailer in that year was $24.40 for handling $100 worth of meat. In 1921 the same amount of meat cost, at wholesale, $126.77. The operating cost of the retailer in distributing it was $44.75. Wages make up the heaviest expense of retailing meats. Wages of meat cutters in 1921 were almost double wages in 1913. The weekly wage in 1913 was $14.82; in 1921 it was $27.87, an advance of 88 per cent. The conclusion of the whole matter is that if we accept our present system of distribution of meats and other food products as being a satisfactory system, then any marked reduction in cost must come first through reduction in wages, because wages are altogether the largest item in marketing and distributing cost, whether we consider transportation, wholesaling or retailing."

Civil Service

The resolution of Senator Harrison calling upon the President for names of persons appointed to office by executive order without regard to civil service regulations was adopted by the Senate April 24. (Press, Apr. 25.)

World Bank Meeting in London

The Bank of England is to call a meeting of the central banks of the world, pursuant to the decision of the financial representatives at the Genoa Conference, and will invite the Federal Reserve banks of the United States to participate, according to the London Star of April 24, quoting Sir Robert Horne, who has just returned from Genoa.

In a special address to American and British newspaper men at Genoa, April 24, Lord Birkenhead, the British Lord Chancellor, declared the economic future of the United States and England was involved irrevocably with the "reconstitution of Europe." (Phila. Ledger, Apr. 25.)

Section 2.

Agricultural Commission's Report

The Joint Commission of Agricultural Inquiry this afternoon issues a statement for the press, comprising a portion of its conclusions dealing with motor transportation, electric roads and parcel post. Motor transportation, according to Chairman Anderson, will figure conspicuously in the report to be made to Congress by the commission. "Nothing since the advent of the railroads," Mr. Anderson said, "has had so marked an economic and sociological effect upon the production life of the country as the motor vehicle. The commission will recommend that Congress continue to promote an adequate program of highway construction and maintenance, directed to the more effective correlation of highway transportation with rail and water transportation. Also that the program of highway construction and maintenance by states and counties be continued under the direction of qualified experts, with particular reference to the construction and maintenance of farm-to-market roads; that adequate funds should be appropriated for research and regulation of traffic based upon the facts so ascertained. Also that the several states cooperate in effecting a uniform basis for taxing motor trucks and other motor vehicles, which shall fairly represent the proportion of expense of highway construction and maintenance chargeable to such vehicles. ... Figures in the report will show that while the motor vehicle traffic has increased more than 1,900 per cent in the period 1910 to 1921 the actual expenditures for highway construction and maintenance, taking into consideration the increase in cost of materials and labor during the war and the readjustment period, was only slightly over 200 per cent."

Regarding the parcel post, the Joint Commission will recommend to Congress that a study be made to determine what branches of the Postal service are self-sustaining with the view of making the department after due credit for operations performed for the General Government self-supporting, or more nearly in accordance with the costs. This should be done by proper readjustment of charges and removal of present rate inconsistencies. The purpose of holding the Postal Service responsive to the needs of the agricultural community should be constantly kept in view. (From the report.)

Agricultural Credits

"The credit facilities for the country are due for an overhauling. The time is at hand when one great industry which has not heretofore been considered will have to be taken into the Nation's credit scheme and allowed to participate on an equal basis with other industries, or else an entirely new system invented for it. At the present time the commercial industries have the first call on any surplus money that may be stored in the banks, and they get it at low rates, giving therefor security that should be no more acceptable than that given by farmers of the country. Farmers, when in need of capital, are often inconvenienced by having to pay high rates of interest. In times of money shortage it is almost impossible to adequately finance their undertakings, although they are the producers of the necessities of life. Commerce must first be served, and if there is anything left, the producer gets it, if he can put up double security and pay the rate. It is not always the fault of the local bankers that farmers find credit so hard to obtain. Most local banks do their best to finance the farmers in their community, but our country and small city banks are working under rules not

always advantageous to them in securing money for rural loans. Agriculture and live stock, as basic industries, should have a credit system which will function when needed most. Producers must have credits of longer duration than needed by the manufacturer or the merchant. Farmers and live-stock men handle commodities that can not be marketed at will. It takes time to produce them and a credit such as is sufficient as to time for the conduct of commercial industries does not fit the farmer's needs. When the interests that have more or less influence in the control and moulding of our credit systems more fully realize the advantage of encouraging economic production and marketing of farm products, there will be fewer periods of depression." (Farm and Ranch, Apr. 22.)

Agricultural Production Value

"Reckoned in terms of dollars, the farm production of 1921 represents a decline of $11,500,000,000 when compared with 1919. A 'loss' in a year's turnover of a single industry equal to the much-discussed foreign indebtedness, deserves a moment's attention. Officials estimate values of all crops and animal products of 1921 at $12,366,000,000. As the total value in 1920 was revised to $18,263,000,000 and to $23,783,000,000 in 1919, farm income in 1921 was two-thirds that of 1920 and half that of 1919. The price index of all commodities, including farm products, at the end of 1920 was 49 points lower than the year before, but farm products alone lost 100. A year later the general average, with farm products included, showed a total decline of 89 points for the two-year period, while the farm products alone were down 131. These figures prove that the loss of $11,500,000,000 was in price deflation and not in decreased output. This is a fact that should not be lost sight of in any discussion of the national income or national wealth. It is true that there has been a large addition to the national wealth, but if the per capita income were reduced to the purchasing power of 1913, the increase would be small. Our figures of wealth and income are not all real, for wealth is based on the output of production, be it crops or manufactured goods.

"Although much of supposed increase in wealth is due to inflation, not all is nominal. There has been an increase in production both in agriculture and in manufactures. But when the two are placed side by side the comparison is not favorable to agriculture. This industry which we are so fond of calling the 'basic', as it really is, is now behind in the race. It has not kept up with population increase, and the per capita output of industry is so far ahead of it as to be almost out of sight. This great business whose products are fundamental to existence and to national position, now equals only 18% of all production, measured not in dollars, but physical volume. To produce this 18%, more than 30% of the population is gainfully employed in the work. That we have passed the peak of per capita production of farm products is not a pleasant thought, but the fact can not be disputed. Unless we are willing to lose our position of a surplus food producing country agriculture must be taken in hand; the grip of the politician must be loosened, and economists and statesmen called in to give it whatever measures of relief are necessary to restore it to its former position." (Wall St. Jour., Apr. 24.)

Prices and Production

Wallaces' Farmer for April 21 says in an editorial entitled: "Do Lower Farm Product Prices Increase Production?": "One of our readers in advancing the theory that lower farm product prices actually increase production states that there would be more likelihood of corn acreage reduction, if corn was 75 cents a bushel than with it at 40 cents. ... This is a plausible theory and one in which a large number of city people believe. This is analagous to the idea that you can get the most work out of a horse by continually beating him. As a matter of fact, after several years of low farm product prices, farmers decrease production. That was the case in the '90s when the farmers noticeably slackened their efforts as a result of low prices. Heretofore, there has been very little intentional in the way farmers have eventually decreased production as a result of lower prices. During the first year or two of lower prices, there may have been, as our correspondent suggests, an increase in production. Eventually, however, the lower prices have ruined enough farmers and literally compelled the abandonment of enough acres of marginal land to reduce production very decidedly. The difference between the farmer and the business man is that the farmer requires a much broader hint to quit producing. The farmer refuses to quit producing until he has been hit so hard and frequently by the club of lower prices, that he is literally facing ruin, whereas, the manufacturer starts to restrict reduction at the very first whisper of lower prices. We believe that our correspondent is advancing a false philosophy when he suggests that lower prices may actually serve to increase the production of farm products. If there is any large measure of truths in the idea, we may expect to see farmers in the United States reduced to the condition of peasants within the next ten years."

U.S.Grain Growers, Inc.

The U.S.Grain Growers, Inc., April 23 issued a statement in part as follows: "Strict business procedure will govern all future activities of the U.S. Grain Growers, Inc., in soliciting grain producer memberships for the association under new organization plans, the details of which were forwarded to all state organizers representing the cooperative organization in grain producing states by the officers of the farmers' company April 23. Expenditure of funds for securing memberships in new sections of the grain-producing states, without due regard to results secured, which characterized the solicitation for members in some states last year, will be brought to a sharp and abrupt halt by the provisions contained in new contracts for state organizers and farmers who are representing the association in the field, declared C.H.Gustafson, president of the farmers' company. A strict check of results accomplished by farmers who represent the association in the field will be instituted. 'All existing contracts with our field men are to be cancelled and a new contract put into effect,' said Mr. Gustafson. 'Fundamental business procedure dictates that we must put our field work on a basis which will exact efficient and economical conduct of this work. The new contract will protect both the interests of the association and of the men who is giving his best efforts to promoting the organization.' "

Wool Market

Apathy has given way to improved demand in the wool market. There is a general upward movement in all classes. Due to scarcity of spot stocks, demand exceeds supply. (Phila. Ledger, Apr. 22.)

Section 3.

Department of Agriculture

The Commercial and Financial Chronicle for April 20, quoting at length from Secretary Wallace's recent address before the Washington Stock Exchange, says in an editorial: "Discussing 'Farm Credit Needs' before the Washington Stock Exchange on April 1, Henry C. Wallace, Secretary of Agriculture, referred to the proposed amendment to the Federal Reserve Board. Noting that it seems to be accepted that commerce and industry and finance should be conceded representation on the board, Secretary Wallace contended that agriculture, which is our largest and most important industry, surely can claim a similar place in its own right, and in view of the injurious effect upon commerce and industry in general if policies should be adopted which react unfavorably upon agriculture, the astonishing thing is that anyone should object to such recognition."

Section 4.

MARKET QUOTATIONS.

Farm Products

Apr. 24: Chicago May wheat reached $1.49 early; but buying power gave out and prices broke under liquidation sales. Chicago May wheat closed lower at $1.46; Chicago May corn lower at 61 1/2¢. Export demand required; cash demands normal. Visible supply wheat 31,493,000 bushels, a decrease of 1,636,000 bushels for week. Visible supply corn 39,014,000 bushels, a decrease of 4,132,000 bushels for week. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.47; No. 2 hard winter wheat $1.46; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa about 48 1/2¢; No. 1 dark northern wheat in central North Dakota $1.49; No. 2 hard winter wheat in central Kansas $1.30.

Chicago hog prices down 10¢ to 20¢, bulk of sales $9.90 to $10.60. Beef steers down 15¢ to 25¢, medium and good grades $7.40 to $8.60. Butcher cows and heifers mostly steady at $4.50 to $8.35. Fat lambs up 25¢ to 50¢ at $12.00 to $14.75.

Most eastern potato markets slightly weaker. Prices firm at northern shipping points. Florida potatoes down 25¢ to 75¢ in northern markets at $5.50 to $6.50 per bbl. Texas yellow onions mostly lower, at $2.00 to $2.75 in city markets; steady at shipping points. North Carolina strawberries slightly weaker in northern markets at 20¢ to 25¢ per quart.

Hay prices fluctuated with local receipts. Small arrivals caused firm advances at Philadelphia, Pittsburgh, Cincinnati and Memphis, while increased receipts caused lower prices at Boston, New York and Chicago. Feed markets quiet but firmer, especially for wheat feeds and cottonseed meal. Production corn feeds good, prices unchanged, demands fair.

Butter markets steady to firm. Supplies clearing readily, but dealers are selling freely to avoid accumulation. Cheese markets have shown slightly more activity at the lower prices prevailing. Consumptive demands good. Spot cotton up 2 points at 16.96¢ per lb. New York May futures up 8 points at 17.99¢. (Prepared by Bur. Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	Apr. 24	Apr. 22	Apr. 24, 1921.
20 Industrials	93.00	93.46	78.55
20 R.R. stocks	84.84	84.84	71.33

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Vol. V, no. 22. Section 1. April 26, 1922.

Increased Tariff Demands over those reported

The Republican agricultural tariff bloc April 25 demanded that shingles, placed on the free list by the Senate Finance Committee, shall be restored to the House provision of 50 cents a thousand duty and increases on various agricultural products in the bill. (Press, Apr. 26.)

Interest Rate Regulation

National banks would be restricted in the rates of interest paid or charged to such rates as are established by State laws, under a bill introduced April 25 by Senator Capper. (Cong. Rec., Apr. 25.)

Norris Bill to Guard Bees

Senator Norris April 25 introduced a bill to regulate foreign commerce in the importation of the adult honey bee from any foreign country where a bee disease is prevalent. (Cong. Rec., Apr. 25.)

America May Join Bank Conference

The New York Times to-day says: "The administration sees in developments in the economic situation at the Genoa conference justification of its attitude in declining active participation in the deliberations. It believes that Europe's financial difficulties will not be settled through Government agencies and the clash of international policies, but through semi-official mediums and banking experts of the nations affected, in conferences where the economic rather than the political phases receive first consideration. This became apparent April 25 when it was said officially at the White House that President Harding had no objection to J.P. Morgan sitting with the finance committee of the allies reparations committee and that the administration indorses the invitation for an official of the Federal Reserve banks to participate in a conference of the great banks of issue of the world. Both the committee which Mr. Morgan has consented to join and the world bank meeting that will be convened at London by the Bank of England are outgrowths of the Genoa conference."

Radio in Britain

A London dispatch to The Philadelphia Ledger to-day says: "The agitation in England for the removal of governmental restrictions on wireless broadcasting seems to have had effect. The Postoffice Department has provisionally sanctioned the use of the radio for the transmission of weather forecasts, market reports and sermons."

Section 2.

Agricultural Financing

The War Finance Corporation announces that from April 20 to April 22, 1922, inclusive, it approved 50 advances, aggregating $1,354,000, for agricultural and live-stock purposes in 18 States. During the week ending April 20, 1922, the corporation approved a total of 106 advances, aggregating $3,193,000. (W.F.C. press statement, Apr. 24.)

Canadian Grain Act Upset

The Manitoba Court of Appeals April 24 held that the Federal Parliament exceeded its jurisdiction when it enacted Section 215 of the Canadian Grain act, prohibiting commission men from doing business without a Government license. The section of the act affected by the ruling of the Court of Appeals says: "No person shall engage in the business of selling grain on commission or receive or solicit consignments of grain for sale on commission in the western inspection division without first obtaining such annual license from the board." (N.Y.Times, Apr.25.)

Corn Products in Europe

In a summary of J.A. LeClerc's report of his survey of Europe as a possible corn market, Price Current-Grain Reporter for April 19 says: "In all Europe enough beer is brewed to permit the ultimate consumption of 300,000 tons of corn grits, assuming only a 20 per cent substitution for malt. About four million children have been or are being fed corn grits as a result of the activities of the A.R.A. This in itself is a great propaganda and will certainly help to dispel the prejudice against corn which is characteristic of many European countries. Corn grits and corn flour besides being as good food as rice and soft wheat flour respectively are far cheaper and when used by large institutions, relief or charitable, permit of enormous savings in money."

An editorial in the same issue, on the same subject, says: "On the whole the report does not put the situation in very much better light than before the war, except that a considerable portion of eastern Europe by virtue of American charity has become practically familiar with American corn goods in certain forms. As that part of the world is likely to remain in a state of poverty for a good many years to come, the necessity of economy in the purchase of foodstuffs may favorably affect trade in American corn products; but it is altogether likely that the use of corn as a bread grain must remain based upon a state of popular poverty and be confined to eastern Europe and western Asia. The drift of mankind in the West in all ages has been from the coarse cereals, like barley and rye (and in America, the home of maize, from corn) to the wheaten loaf. ... The American farmer must, therefore, expect to continue to consume the greater part of his corn crop upon his own premises for the manufacture from it of some other kinds of product than corn flour or corn meal, which will be more attractive to the universal buyer than is the corn itself as a human food product."

Cotton

The Department of Commerce, through the Bureau of the Census, announces that 36,870,544 cotton spinning spindles were in place on March 31, 1922, of which 31,874,496 were operated at some time during the month, compared with 33,797,380 for February, 34,457,509 for January, 34,485,341 for December, 34,486,669 for November, 34,221,[illegible] for October, 33,898,415 for September, and $32,148,202 for March, 1921. (Commerce Dept. press statement, Apr. 22.)

Cotton Marketing

"The Whole South is Now Getting in Line" is the title of an editorial in The Oklahoma Farmer-Stockman for April 25, which says in part: "Farmers of the whole South are getting ready to market cotton cooperatively this year. The remarkable success of the Oklahoma Cotton Growers' Association in its first hard season has been an inspiration to farmers everywhere, and they are preparing to do likewise. Delegates from seven cotton states met in Oklahoma City on April 12 and 13 to work out detailed plans for the operation of the American Cotton Growers' Exchange this year. The exchange was organized in skeleton form a year ago, with the State organizations of Oklahoma, Texas and Arkansas as members. Since that time the Arkansas Cotton Growers' Association has been completed with 250,000 bales, the North Carolina Cotton Growers' Association with 400,000 bales, and the Georgia Cotton Growers' Association with 240,000 bales. The South Carolina association will complete its membership campaign on May 1 and expects to get at least 400,000 bales signed up. The Alabama association, with a minimum of 100,000 bales, will be organized by June 15. All of the State organizations named are now joining the American Cotton Growers' Exchange, and all of them except South Carolina were represented in the meeting at Oklahoma City. The Mississippi long staple growers, who are also organized cooperatively to sell cotton, and who have handled more than 150,000 bales of the 1921 crop, are not yet members of the national exchange but are expected to join later. ... Under the plan adopted at the Oklahoma City meeting each State will keep its own sales manager for the local selling of cotton, but the national exchange will have a general sales manager over all who will have his headquarters at Dallas, Texas, and will give special attention to the sales problems of the Oklahoma, Texas, Arkansas, and Arizona associations. An associate general sales manager will also be named with direct charge over the associations in Alabama, Georgia, North Carolina and South Carolina. The exchange will open offices in New Orleans, New England, the Southeast and Liverpool and other European cities as fast as the work develops to warrant such action. ... At a meeting of the executive committee at Dallas on April 15 plans were laid to begin exchange operations at once."

Crop Reporting

"When the reports of Europe's crops began to come in last fall there was great rejoicing abroad that the bread grains had escaped the drought and that the quantity was far greater than the year before. On the face of these returns, the volume of export buying each month was a surprise. Australia and Argentina both seemed to be doing well with their wheat, and there was little in the foreign situation to give confidence enough in future prices to hold the support that was given to the first rush of fall grain which was of almost unprecedented volume. Gradually the speculators were worn down, many of them losing heavily until within the last 60 days true conditions have become known and the market has responded. Now it appears that the late sowing of winter grain combined with early drafts on the new crop will result in a 13 months' consumption of the new crop instead of 12 months. The outturn in Australia and Argentina are less than expected, and, anticipating the future, European farmers are holding back their supplies to make up for the certain deficiencies of the growing crops, the prospects of which are far from favorable. The experiences of the year point in no uncertain way to the necessity

of our having our own trained observers in foreign countries, so that we can be kept advised of true conditions. Europe has several crop reporting agencies, but it must be remembered that they represent buyers exclusively. We do not impugn their integrity, but certainly their whole interest is on the bear side of the market, and they would not be human if this failed in some degree to affect their judgment. A corps of crop reporters, acting through representatives of the Department of Commerce, would cost the Government but a fraction of the losses which our farmers and operators have sustained this year on account of the delay in getting a comprehensive view of the true situation." (Am. Elevator and Grain Trade, Apr. 15.)

Farm Management

The Nebraska Farmer for April 22 contains an editorial on "Lessons from Successful Farming,"which says: "In the series of sixteen articles on "Making the Farm Pay in 1922," there are several facts that stand out rather prominently. It is quite generally admitted that diversified farming and cooperative marketing, with reasonable transportation rates, are the basis of all permanent improvement in farming. ... Work, thrift such as few other classes of people know or understand, eternal and unceasing vigilance over live stock, and more neighborliness and willingness to cooperate are the watchwords of the better class of farmers to-day. ... It is noteworthy that every one of the men who has made money the past few years and who really expects to make an income above investment in 1922, is a live-stock raiser or feeder of some kind. The nearest exception to this is a man who only keeps a milk cow or two now and a few brood sows. But his income is from certified seed and from outside work with his tractors, and, even in his case, he plans to go into the pure-bred stock business as soon as he finds someone who can take care of the stock while he is away. ... Probably nothing has ever given the pure-bred cattle, hog, chicken or registered seed movement a greater boost than the recent depression. When things got right down to brass tacks it was discovered that the man with well bred hogs or cattle to which to feed the corn and hay, or the farm women with the well bred, carefully culled and diplomatically cared for chickens, came out away ahead. In no single case, of these men who expect to make money in 1922, was there found a scrub sire; invariably the hog herd or the cattle herd was headed by a pure-bred male, often a very high class animal. And it was not at all uncommon to have a farm woman say that a certain cockerel cost $10 or $15."

Live-Stock Marketing

"The National Livestock Producers' Association, which set out several months ago to establish farmer-owned live-stock commission companies at the leading terminal markets, is making gratifying progress. The Producers' Livestock Commission Association of East St. Louis has for several weeks been doing more business than any other commission company at the National Stockyards, and its margin of profit is large. Organization of a similar company at Indianapolis has been completed, and D.L. Swanson of the U.S.Bureau of Markets hired as general manager. This company will open for business in a few days. The Peoria Producers' Commission Association will soon be ready for business at that terminal. As soon as producers' commission companies are in operation at the leading markets, plans for stabilizing the markets and improving market conditions will be undertaken." (Prairie Farmer, Apr. 25.)

Morgenthau Buys American Agriculturist

Henry Morgenthau, jr., April 25 purchased The American Agriculturist, one of the oldest farm papers in the United States, from Charles Capehart, Edwin D.DeWitt and Thomas A, Barrett of New York. Mr. Morgenthau will devote his entire time to the expansion and development of The American Agriculturist. Henry Morgenthau, sr. will write weekly letters from Europe to The American Agriculturist this summer. Upon his return he will make his office with his son and assist in developing the publication. (N.Y. Times, Apr. 26.)

Open-Price Associations

All the open-price associations thus far investigated by the Federal Trade Commission have been found to have for their direct object the fixing and usually the enhancement of prices, Huston Thompson, a member of the commission, declared April 25 in an address in Baltimore before the National League of Women Voters. "I have never found one," said Commissioner Thompson, "that did not either fix prices or cause curtailment of production to the point where it ultimately paralyzed the market. The one, deep, dominant note of the whole movement, " as determined by the Trade Commission, he added, "was an increase of prices." Making it plain that he did not attack all forms of business associations, Mr. Thompson defined the "open price association" as one in which the principal producers of an industry organized to "exchange currently and constantly, through central headquarters, all information as to orders, productions and shipments." With regional organizations, nationally tied together, the system resulted in "either fixing of prices or curtailment of production to produce a panic-buying market," he said. (Assoc. Press, Apr. 26.)

Radio

"Radio Development" is the title of an editorial in Wallaces' Farmer for April 21, which says in part: "Neither receiving nor sending apparatus has reached a state of perfection. ... It is evident that there must be some Government regulation. The use of different wave lengths must be fairly allocated. The time for sending messages by the more important sending stations must be set and no interference permitted. Agriculture has a very vital interest in this matter of regulation. The way must be kept open for market reports, weather reports and other information of direct value to agriculture. Because farms are scattered and information harder to get, the farmer must have a square deal."

Rail Rates on Agriculture

" 'Bloc' and Commission Rates" is the title of an editorial in The New York Times to-day, which says: "Two forecasts of railway rate changes are published simultaneously. One comes from the Interstate Commerce Commission. The other is from the Commission of Agricultural Inquiry appointed by the farmers' bloc. The contrast is interesting. The Interstate Commissioners, being experts, educated by painful experience, think that the price of transportation should be related to the cost of producing it. The commission makes its findings in a detached frame of mind. The Agricultural Commission naturally thinks most and first of the farmers. They think that rates should be proportioned to the prices of their goods. Have the farmers reflected that they were not alone in the loss of their market? The railways lost their business also, and were denied the profits which others, including the farmers, made in the war inflation. The Interstate Commission deserves a better fate than being either ignored or overruled by 'blocs.' ... "

Section 3.

Department of Agriculture

The Washington Herald to-day says in an editorial: "No small reason for the present undue cost of living in the United States is the fact that housewives are too proud to carry market baskets through the streets. Secretary of Agriculture Wallace emphasized this before the National League of Women Voters in Baltimore Monday night and supported his assertions with definite figures gathered by his department. It is impossible to arrange statistics so that they will furnish convincing proof that it does not cost more for food and clothing, in relation to wages received, than before the war. Business men who attempt to do this underestimate the intelligence of the American people. With the customers themselves, however, lies a considerable opportunity to remedy this condition. Living expenses never will decrease satisfactorily until the demand for service, the expense of which is not an inconsiderable part of the storekeeper's budget, is reduced materially. ... Only another and unexpected period of abnormal prosperity could justify the continuance of the present retail marketing system in our cities."

Section 4.

MARKET QUOTATIONS.

Farm Products

Apr. 25: Chicago wheat prices advanced fairly, but the market broke under liquidating sales and stop-loss selling. Chicago May wheat lower at $1.41. Chicago May corn lower at 60 3/8¢. Active export demand on downturn with sales around 1,000,000 bushels. Special British Government estimate places India crop at 356,000,000 bushels or 100,000,000 bushels more than last year. Closing prices in Chicago cash market: No. 2 red winter wheat $1.41; No. 2 hard winter wheat $1.40; No. 2 mixed corn 61¢; No. 2 yellow corn 61¢; No. 3 white oats 39¢. Average farm prices: No. 2 red winter wheat in central Iowa 48¢; No. 1 dark northern wheat in central North Dakota $1.46 1/2; No. 2 hard winter wheat in central Kansas $1.28.

Chicago hog prices mostly steady, bulk of sales $9.90 to $10.60. Beef steers stong to 15¢ higher; medium and good grades $7.50 to $8.75; butcher cows and heifers firm at $4.50 to $8.50. Fat sheep mostly steady at $12.00 to $14.75.

Potato prices nearly steady at shipping points and at eastern markets. Florida potatoes slightly weaker at $5.50 to $6.50 per bbl. Louisiana and Carolina strawberries up 5¢ at shipping points at 25¢ to 30¢. Sweet potatoes dull; Georgia Porto Ricans $1.25 per bushel in Pittsburgh; northern type sweet potatoes $2.25 to $2.50 in New York. Florida tomatoes $3.75 to $4.00 for best sizes in New York. Best carlot lettuce $1.00 to $1.50 per hamper in New York.

Spot cotton up 2 points, closing at 16.98¢ per lb. New York May futures up 8 points at 18.07¢. (Prepared by Bur. Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	Apr. 25	Apr. 24	Apr. 25, 1921
20 Industrials	92.72	93.00	78.86
20 R.R. stocks	85.09	84.84	71.45

(Wall St. Jour., Apr. 26.)

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Vol. V, no. 23. April 27, 1922.

SPECIAL NOTICE.

The address of Hon. Sydney Anderson, chairman of the Congressional Joint Commission of Agricultural Inquiry, announced for this afternoon, before the local chapter of the American Farm Economic Association, has been postponed on account of the half holiday. Mr. Anderson will deliver his address on middle term credit on May 11, at 4.40, in the conference room (411) of the Bieber Building.

Section 1.

Agricultural Appropriation Bill

Agreement was reached April 26 between the Senate and House conference committees on the Agricultural Appropriation bill. The House delegation accepted the four important amendments of the Senate, but with the appropriations carried by them reduced. Most of the lesser changes made by the Senate likewise were compromised, each committee receding in some instances. The amendments made by the Senate included increases in appropriations for the States Relations Service of the Department of Agriculture, for combating the white-pine blister rust and to enable the purchase of more land in the watershed of the Appalachian Mountains at the head of navigable streams. The fourth big increase by the Senate was an increase from $142,000 to $500,000 for fighting the barberry bush as a breeder of wheat rust. The committees agreed finally on $350,000 for the purpose. The amendment which increased the fund for cooperative extension work among the states from the House allotment of $1,000,000 to $1,500,000 was compromised at $1,300,000. The Overman amendment adding $500,000 to $75,000 fixed by the House for the purchase of land at the head of navigable streams was cut to $400,000. The appropriation of $175,000 for fighting the white pine blister nuisance by the House was finally accepted by the conferees at $200,000 or $50,000 below the amount appropriated for the purpose by the Senate. (Press, Apr. 27.)

Farm Federation Favors Ship Subsidy

Farmer support for the administration's ship subsidy bill was virtually pledged to President Harding April 26 by J.R. Howard, president of the American Farm Bureau Federation. Mr. Howard's letter, made public yesterday by Chairman Lasker, of the Shipping Board, said that "while the American Farm Bureau is opposed to any subsidy on principle, we realize the necessity for developing the American merchant marine as a naval auxiliary and an agent in development of foreign trade. We approve aid temporarily until our flag can be established on the high seas, but no longer." (Press, Apr. 27.)

Section 2.

Agricultural Commission's Report

The Joint Commission of Agricultural Inquiry to-day issues a further statement to the press, comprising a portion of its conclusion dealing with regulation of railroads by public authority. Creation of regional departments of the Interstate Commerce Commission to adjudicate transportation controversies more swiftly and in the better light of local information upon issues presented will be urged in the forthcoming report, according to yesterday's statement by Sydney Anderson, chairman of the commission. Better cooperation with State regulative commissions and less expense would be involved by the introduction of the system, according to the investigators. Declaring that the "measure of good regulation is the minimum necessary for public protection," Mr. Anderson said the commission concluded that the objectives of Federal regulation should be the establishment of permanent policies combined with flexible administration, and the decentralization would work to that end, while reducing friction between Government and State agencies. The commission further will recommend larger appropriations for the commerce commission; an increase of its statistical work; the adoption by it more generally of rate levels associated with the comparative selling values of commodities; and defend the existing railroad practices of charging more for short hauls than for long hauls where competitive factors induce the step. A full study has been made during the investigation of the Government's conduct of regulation, Mr. Anderson said, and without criticism of the commerce commission, the commissio believes that "there never has been a satisfactory basis of rate-making or relationship in rates," largely because there was "nowhere a sufficiently comprehensive basis of economic fact" for determination. (From the report.)

Fertilizer Industry and Muscle Shoals

In an editorial commenting upon the possible effect of the development of fertilizer products at Muscle Shoals on the commercial fertilizer industry, The Country Gentleman for April 29 says: "Now comes the suggestion that Henry Ford may put out a concentrated fertilizer at Muscle Shoals. Most interest attaches to acid phosphate. The usual commercial product is made by treating raw rock phosphate with sulphuric acid, getting a product that runs about 16 per cent. A new process, to which Mr. Ford probably has access, discards the sulphuric acid. It puts the raw phosphate rock into a retort, drives off phosphoric acid, treats additional phosphate rock with the acid and secures a concentrated acid phosphate, running even to 70 per cent pure. Such a move on the part of Mr. Ford would be a severe blow to the fertilizer companies which have pioneered the industry. It would junk a lot of their plants. But if it took the filling out of our commercial fertilizers, and if perchance it might substitute a simpler and more readily understandable label on the bag, the farmer would benefit."

Upon the same subject, The Wall Street Journal for April 26 says: "Saving $125,000,000 a year on one item alone is worth while if it can be done, Senator Capper says it is possible by completing the Muscle Shoals project. ... The Wall Street Journal recognizes the importance of fertilizers to maintain the food and textile supply. It is interested in any practical means by which the supply may be increased or cheapened. But it has never yet understood how the Muscle Shoals project could accomplish what its advocates claim for it. ... "

Section 3.

MEETINGS, HEARINGS AND VISITORS.

The Executive Committee of the National Association of State Marketing Officials will meet in the office of Dr. H.C. Taylor, Chief, Bureau of Markets and Crop Estimates, on May 9 and 10.

Porter R. Taylor, Acting Director, and George Stuart, in charge of the grain standardization work, Bureau of Markets, Harrisburg, Pa., are conferring with division leaders of the Bureau of Markets and Crop Estimates regarding a program for educational work in grain standardization in the State of Pennsylvania. They may be reached through the office of Lloyd S. Tenny, Assistant Chief, Bureau of Markets and Crop Estimates.

Section 4.

MARKET QUOTATIONS.

Farm Products

Apr. 26: Chicago wheat prices higher most of day; but break came toward last and the close was weak; Chicago May wheat lower at $1.40; Chicago May corn lower at 60 1/4¢. World available supply decreased 3,710,000 bushels for week and is 162,889,000 bushels as compared with 126,403,000 bushels last year. Closing prices in Chicago cash market: No. 2 red winter wheat $1.41; No. 2 hard winter wheat $1.39; No. 2 mixed corn 61¢; No. 2 yellow corn 61¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 48¢; No. 1 dark northern wheat in central North Dakota $1.44 1/4; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog prices steady to higher, bulk of sales $10.00 to $10.65. Medium and good beef steers up 10¢ to 15¢ at $7.65 to $8.00. Butcher cows and heifers up 10¢ to 15¢ at $4.50 to $8.60. Fat lambs unevenly steady at 25¢ lower at $12.00 to $14.75. Potato prices slightly stronger at Minnesota and Michigan shipping points at $1.30 to $1.50 per hundred lbs.; steady in northern Maine at 60¢ to 70¢. Eastern city markets dull. Shipments for the day 600 cars old; 116 new. Texas yellow onions nearly steady at $1.75 to $2.25 per crate. North Carolina strawberries stronger in leading markets at 25¢ to 30¢ per qt.; prices up $2.00 to $8.00 per crate at shipping points.

Hay market generally firm, account light receipts. Movement light. Feed market quiet. Production wheat feeds light and equal to demand. Cottonseed meal firm; demand quiet. Corn feeds steady on light demand.

Butter markets steady to firm. Cheese markets steady. Consumption demand good. Spot cotton down 3 points at 16.95¢. New York May futures down 2 points at 18.05¢.

Industrials and Railroads

Average closing price	Apr. 26	Apr. 25	Apr. 26, 1921
20 Industrials	91.96	92.72	78.11
20 R.R. stocks	84.36	85.09	70.54

(Wall St. Jour., Apr. 27.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 24. Section 1. April 28, 1922.

Pure Seed Bill

Senator Norris, April 27, introduced a bill designed to promote the sale of pure seeds. The bill was referred to the Senate Committee of Agriculture and Forestry. (Cong. Rec.Apr.27)

Plant Reprisals Threatened

A cable from The Hague to The New York Times of to-day says: "The Hague conference of the International Professional Horticultural Federation has moved a resolution that, granted that all countries must protect themselves against parasites, the plant quarantine system applied by the United States is causing almost complete hindrance of imports and that European countries would be compelled to take reprisals extending to fruits and agricultural produce, in case the United States persists in this quarantine system, thereby rendering horticultural trade wholly impossible. The General Secretary of the Netherlands Federation, speaking to The New York Times correspondent, emphasized the importance of the resolution in connection with the Washington horticultural conference on May 15, upon which great expectation is placed here."

Radio Control Report

An advisory committee of twelve, to be appointed by the President, to assist the Secretary of Commerce in supervising radio communication, was recommended April 27 in the final report of the recent national radio conference, as submitted to Secretary Hoover. The final report recommended amendment of the radio laws to give the Secretary of Commerce adequate legal cuthority for the control of the establishment of all radio transmitting stations except amateur, experimental and Government stations and the operation of non-governmental radio transmitting stations. Direct advertising in radio broadcasting should be absolutely prohibited, the conference held, and indirect advertising should be limited under regulations imposed by the Department of Commerce. Relative to amateurs, the conference recommended that the status of the amateur be established by law, that the limits of the wave band allotted to the amateur be confined to the 150-meter and the 275-meter wave lengths. (Press,Apr.28.)

Genoa Conference

"Lloyd George stood up yesterday at Genoa and spoke frankly of the dark cloud that has been shadowing the conference and the Old World since Easter. Looking East, he described what has been written on the sky since the Reds and the Teutons signed their own special treaty behind the backs of the inviting Powers. What Lloyed George visioned in his address to the American and British press representatives is another war of revenge, of the conquered against the victors, of the 'have nots' against the 'haves' of Europe. ... ' I wish America were here! ' he exclaimed." (Phila.Ledger,Apr.28.)

Section 2.

Business Conditions

Commerce Monthly for May says in its review of business conditions: "The return to normal conditions is not an orderly process, and activity may shift unexpectedly from one point to another. The set-back in retail trade is the direct consequence of two factors. Buying by farmers, long at a low level because of unprofitable prices for farm products, has not shown much improvement, as farmers have very little money, and their buying power can not expand materially before autumn even if the current year's crops are good. They are wisely using their credit to buy fertilizer, tools and other necessaries of their business. Buying by workers in cities has declined heavily -- the cumulative effect of prolonged unemployment. It is not to be overlooked that when only necessaries are being bought, buying does not concentrate so heavily at specific times, but is more likely to be fairly evenly distributed over a considerable period."

Crop Insurance

1. "Why Not Insure Farm Crops by Government?" is the title of an article by John M. Stahl, in The American Review of Reviews for May. Basing his figures on farm losses on estimates made by the Department of Agriculture, the author says: "The unavoidable uncertainty in farm production suggests crop and animal insurance; and to this date no other antidotal measure against this peculiarity of farming has been suggested that has stood careful consideration. Possibly in time it will be best undertaken in part by very large corporations; but it is of such magnitude that at least until there is a greater experience in crop and animal insurance it should be done by Government. Courage to put it into effect will be needed rather than large resources, although large resources will be needed -- to give the confidence that would make it effective, Large resources would be needed to meet heavy losses; for the stabilization of prices, the better distribution, and other results, would make the business really profitable with reasonable charges. The ship insurance of our national Government during the World War yielded a net profit of $17,000,000."

2. "Obstacles to Crop Insurance" is the title of a letter, addressed to Theodore H. Price, by L. Allyn Wright, in Commerce and Finance for April 26, in which this "underwriter of long experience" presents the difficulties in the way of national crop insurance. He says, in part: "I see that you do recognize it as fundamental that all chances of this or other sorts affecting the contingent liabilities of the Government should by statistical methods be brought within the range of calculability, but my object is to express the thought that this would be impracticable. That the Government by dint of whatever statistical efforts, covering any practicable series of years, could supply itself with any discernible 'law of average' in these matters -- any even approximate-enough-to-be-workable index to 'the prices,' as you say, 'that will be obtainable,' -- I consider to be open to the gravest question. For this hardship of the farmers as you sympathetically regard it (as touching markets), I suggest it ought perhaps to be not wholly impossible for them by organization among themselves to contrive some due alleviation, but at least, properly speaking, there could

be no insurance for it, if we are to mean by insurance something we can rationally believe to be ultimately reducible to a science, with which capital (granting it abundant) could in the least be hoped by and by to ally itself, say after the Government had tried it out for not exceeding a reasonable period, and published the results after the manner I recognize your theory contemplates."

Cooperative Marketing Abroad to be Studied

Believing that a study of the more advanced methods of cooperative marketing practiced in Europe will shed some light on the marketing problems which confront American farmers, the American Farm Bureau Federation has commissioned Samuel Adams, editor of the American Fruit Grower, to make exhaustive studies of cooperative marketing as it applies to various commodities in England, Ireland, Denmark, Norway, Sweden, France and Germany. Mr. Adams will sail on the Olympic June 3 for England where he will make his first investigation. (A.F.B.F. Weekly News Letter, Apr. 20.)

Cotton Tariff

Trying times in the cotton industry, due to downward readjustment and the strike situation, were described in an address by President Russell B. Lowe of Fitchburg at the convention of the National Association of Cotton Manufacturers at Boston, April 27. At the same time he expressed the hope that the darkest period was passing and that the next few months would carry the industry into better times. Mr. Lowe named as three great causes which have forced goods down and brought about the present situation: First, unsatisfactory prices received from crops, which reduced the purchasing power of the farmer; second, unemployment, which has cut the purchasing power of millions of consumers, and third, the imports of foreign goods, which on March 1 were 99,000,000 square yards for the previous eight months. (N.Y.Times, Apr. 28.)

Government Publications

"Uncle Sam, Printer" is the title of an editorial in American Agriculturist for April 15, which says in part: "At last, there is someone at Washington who believes that Uncle Sam should step out of the wholesale printing business, and confine his publishing efforts to literature which is of benefit to all of the people and not to a scattered few. Filing his report as chairman of the House Committee on Printing, Representative Kiess urged reduction of Government printing to a useful 40 publications, with an annual saving in the printing bill of more than $2,000,000. Even in these days of billion dollar finance, a small saving of two millions is a very worth while economy. ... Government technical bulletins of value to special commercial interests only should be discontinued as free publications and turned over to the public at cost or not at all. Free printing, such as the Farmers' Bulletins for instance, is justifiable if it actually reaches the public, but free printing has been abused and the free publications distributed through Senators and Congressmen have been used in much the same way as the free seed privilege. The bulletins are admittedly better than the seeds, however, but the taxpayers demand that they be handled within reason."

Mexico Cantaloupes in New York

The season's first shipment of cantaloupes reached New York April 25 from Mexico, according to The Philadelphia Ledger, April 26.

Radio

In an editorial on "The Radio," The Commercial and Financial Chronicle for April 22 says: "The thought must suggest itself that the proper use of legislation or of Government stands out very clear. It is the promulgation of rules of procedure arrived at by international conference that will tend only to enlarge and perfect the service of the radio to mankind, but is entirely outside that sort of 'control' now advocated by selfish classes and interests with reference to the free employment of capital and labor in the arts, industries and commerce that make up our present civilization."

U. S. Grain Growers, Inc.

Commenting upon the financial statement of the U.S. Grain Growers, Inc., The Nebraska Farmer for April 22 says editorially: "The figures upon the receipts of expenses of the U.S. Grain Growers as quoted above are probably correct, but should not be taken to mean that the financial condition of that organization indicates its downfall. It should be remembered that the U.S. Grain Growers is a non-stock, non-profit organization and began work without any source of funds of its own and had to operate upon borrowed money. Such conditions would naturally handicap it, but if you will compare this organization with a large corporation which before it begins actual operation must sell stock to the amount of hundreds of thousands of dollars before a cent of income is returned, you will appreciate that an excess of expense over income other than from stock sales in this case does not mean disaster. The organization work of the Grain Growers may be likened to the expense of a manufacturing industry for plants and equipment. Big business men have said that the work so far accomplished by the Grain Growers is worth a million dollars. No doubt there have been excessive expenses in the U.S. Grain Growers, some of them needless, which have put the company farther in the red than it should be, but these debts can be quickly paid off as soon as the organization begins handling grain for its members and thus have a definite source of revenue, namely the commission received on all grain handled. Furthermore, the cost of memberships obtained from now on ought not to be nearly so high as in the past and with a large growth in membership this source of revenue alone can offset the loss of the organization. As a matter of fact, during thelast few months the membership fees each month have amounted to more than the actual expenses for the same period."

Section 3.

Department of Agriculture

"We too often fail to realize the great benefit accruing to the agricultural and horticultural industries as a result of the investigational and experimental work of the United States Department of Agriculture and the State colleges. Had not someone with authority and means studied deeply into the life history of the codling moth and worked out with painstaking care effective means of controlling this pest, there would be no apple industry in the Pacific Northwest to-day. The same is true with reference to other crops and other pests and diseases. The potato industry of this territory is passing through a critical stage at the present time, with every prospect that vigilant warfare against the diseases that menace it will win. Under the supervision of the State colleges and the Department of Agriculture a widespread campaign is being conducted with a view to educating potato growers in the ways and means of combating these

diseases, the same State colleges and the same department having worked out the methods of control. In this connection it is interesting to note another victory on the part of these investigators in the control of apple scald. For several years investigation along this line has been under way in the Pacific Northwest with the result that the Department of Agriculture now announces that positive means of control have been discovered. ... Neither consumer nor producer, as a rule, appreciates the value of work of this character." (Idaho Farmer, Apr. 13.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Apr. 28: Chicago wheat prices unsettled with good support on declines and increased offerings on advances. Chicago May wheat higher at $1.41 1/4; Chicago May corn higher at 60 3/4¢. Good export demand for corn with sales 500,000 bushels at seaport; cash demand better; trading basis slightly higher. Closing prices in Chicago cash market: No. 2 red winter wheat $1.42; No. 2 hard winter wheat $1.41; No. 2 mixed corn 61¢; No. 2 yellow corn 61¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa about 48 1/2¢; No. 1 dark northern wheat in central North Dakota $1.41 1/4; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog market active, bulk of sales $9.90 to $10.60. Beef steers mostly steady; medium and good grades $7.65 to $8.80. Butcher cows and heifers about steady at $4.65 to $8.60. Sheep mostly steady at $11.75 to $14.60. Potato prices declined further in the East, but recovered somewhat in the middlewestern cities at the close. Florida potatoes steady at shipping points mostly $5.50 to $7.00 per barrel. North Carolina strawberries closed about steady at 23¢ to 30¢ per qt. Texas yellow onions, f.o.b. shipping points up 20¢ to 30¢ per crate at $1.35 to $1.55. Cabbage, corn, South Carolina Wakefields steady to strong at northern markets $2.25 to $2.75 per hundred lbs.

Spot cotton unchanged, closing at 16.95¢ per lbs New York May futures down 2 points, closing at 18.03¢. (Prep. by Bur. of Mkts. and Crop Est.)

Industrials and Railroads

Average closing price	Apr. 27	Apr. 26	Apr. 27, 1921
20 Industrials	91.10	91.96	78.77
20 R.R. stocks	83.60	84.36	71.36

(Wall St. Jour., Apr. 28.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 25. Section 1. April 29, 1922.

The Railroad Situation

The New York Times to-day says: "The railroad situation was discussed from many angles yesterday by spokesmen for the Government, the railroads, labor and the public at the semi-annual meeting of the Academy of Political Science in New York. The speakers included Henry Wallace, Secretary of Agriculture; Daniel Willard, President of the Baltimore and Ohio; Walker D. Hines, former Director General of Railroads; C.B. Heiserman, counsel for the Pennsylvania; W.N. Doak, Vice President of the Brotherhood of Railroad Trainmen, and R.H. Aishton, President of the American Railway Association. The general topic was 'Railroads and Business Prosperity.' Secretary Wallace said this Nation had been built up by a system of low railroad rates, designed to encourage the movement of our surplus agricultural crops long distances to manufacturing, industrial and business centers, and that high rates, if persisted in, would keep us in a state of confusion and agricultural and business uncertainty for a prolonged period. The possible effects of a continuance of high rates were summarized by Secretary Wallace as follows: 'First, to favor the farmers of South America and Australia at the expense of our own farmers, and all the more so because of the substantial decrease in ocean rates; Second, to keep prices on farm products in the large surplus producing states at figures lower than are justified by the investment in land and equipment and cost of production; Third, prolong the period of dissatisfaction among farmers and encourage advocates of economic fallacies of all sorts; Fourth, improve the position of eastern truck and fruit growers but add considerably to the cost of milk and dairy products because of the advanced prices of hay and coarse grains necessarily shipped from the West; Fifth, gradually shift industrial enterprises westward, nearer the surplus food producing territory; Sixth, promote sectional rather than national spirit and make more and more difficult large national policies with respect to international affairs.' 'The most hopeful sign at the present time,' Secretary Wallace said 'is the apparent recognition of the railroad management that our present high rates can not be continued without disaster to the railroads themselves and that rates must come down to a point not far if any above the prewar levels.'"

Agricultural Appropriation Bill

Representative Anderson, from the House Committee on Appropriations, submitted a conference report on the bill (H.R. 10730) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923. (Cong.Rec. Apr. 28.)

Section 2.

Agricultural Commission's Report

The Congressional Joint Commission of Agricultural Inquiry this afternoon issues a statement for the press as to that portion of the commission's findings and conclusions on railroad management and finance. "The railroads are not self-sustaining and are therefore not on a sound credit basis. If this condition continues transportation service will be crippled, and the country will suffer accordingly." This was given to-day by Chairman Sydney Anderson as the basis of the recommendations and findings soon to be reported to Congress by the Joint Commission of Agricultural Inquiry. "It has been found by the commission, and we intend to report," said Mr. Anderson, "that the revenue return to the railroads should be sufficient to enable them to sustain the value of their properties put to public use and to obtain the capital required for the expansion and improvement of property, facilities, and service; also that sound railroad finance requires that a larger part of the credit necessary for railway construction be secured by stock issues instead of by bond issues. We believe that the transportation facilities of the country," said the chairman, "must be placed upon a solid foundation. It will not do to make up deficits by appropriations of public funds. The railroad companies must be operated with the expectation that the gross revenues will be sufficient to cover operating expenses and leave a reasonable return upon the investment. It is of paramount importance to the public welfare that the transportation companies be made going concerns; that they be placed upon a substantial foundation in every respect; and that the operating expenses be reduced by careful and efficient management." (From the report.)

Agricultural Credits

The Wall Street Journal for April 28 says in an editorial: "Judging from the number of bills now incubating in Congress, the banking system will soon include a separate form of credit for agricultural purposes. This may well be one of the most important matters now before Congress, not even excepting the tariff, and deserves the care, thought and intelligence that were given the Federal Reserve Act. But it is getting nothing of the kind. ... The law limits the Federal Reserve banks to three classes of paper which they may rediscount -- commercial, industrial and agricultural. It is the essence of sound banking that the assets be kept in a liquid condition by short term paper that will liquidate itself. An ordinary commercial or industrial transaction will make a turnover in three months, and this is the limit for such paper. But as a special concession to agriculture, paper representing farming or live-stock transactions was given a maturity of six months. But even this is not sufficient. A farmer is like a manufacturer producing goods, and his notes must be liquidated through his production. But he has only one turnover in a year, and if he is engaged in live-stock production he must wait three years before a steer is matured and ready for market. Obviously, his notes can not be self-liquidating unless the term of credit can be extended over the period of production and marketing. That is the whole thing in a nutshell. The producer of food and textiles, like other manufacturers, needs a term of credit that will cover his period of production. The proposition to amend the Federal Reserve law to cover this purpose has been seriously entertained. But this would violate the principles of sound banking, and might even wreck the system. Commercial banking and agricultural are two different questions. This should be recognized by the lawmakers."

American Farm Bureau Federation's View on Ship Subsidy

Commenting upon the American Farm Bureau Federation's statement favoring the ship subsidy bill, The Journal of Commerce for April 28 says in an editorial: "Such is the remarkable position taken by the organized farmers of this country. There is a deep significance in the conversion here revealed -- for change of heart it is. The farmers, for the first time efficiently organized politically, are also for the first time, for many years at least, arrayed behind the ship subsidy movement. The reason is probably not far to seek. The farmers in recent years have themselves become ardent and continuous pleaders for special favors of one sort or another. Government aid has been extended them in several directions, and just now they are insistent upon a further subsidy from the public in the form of permanent tariff 'protection' -- though just how it will 'protect' them it is not easy to see. It would hardly be consistent and certainly not very good bargaining strategy for them to oppose a subsidy for ships."

Foodstuffs Exports

The outstanding features of American export trade in foodstuffs for the month of March, as shown by statistics compiled by the Foodstuffs Division of the Department of Commerce, are the very large exports of corn and sugar. The record export of 22,544,248 bushels of corn for February, 1922, was again passed in March with a total export of almost 23,000,000 bushels of corn. The interesting feature of this export is, that the relief corn is only a small factor in the total. During the month of March 5,000,000 bushels were consigned to Germany, 4.6 millions to the United Kingdom, and 4.3 millions to the Netherlands. The three months' exports were 65,000,000 bushels, which is about three times the normal exports for the period. The relatively low price of corn as compared with other grains is, no doubt, a large factor, and also the extensive advertising which corn has received in Europe through the relief work, is no doubt also a very important factor. The exports of sugar for March, which are practically ten times the exports for March a year ago and fifty times the prewar exports for this month, are only a continuation of the very heavy exports which we have maintained for the last three months. The principal takers of sugar for March were the United Kingdom, 63,000,000 lbs., France, 35,000,000 lbs., Spain 25,000,000 lbs., China (including Hongkong) 23,000,000 lbs., with Egypt, Argentina, and Greece following in the order named. The exports of wheat which have been showing a steady decline for several months, due in part to the decreased surplus in this country, have shown some increase for the month of March in spite of the higher price which prevailed. This indicates a very strong European demand for wheat. The export of pork products is still continuing on a very satisfactory basis. The demand for lard which shows the usual seasonal decline for the month of March is still very satisfactory and much above the prewar consumption. Another matter of considerable interest to the cotton belt particularly, is the great falling off in the exportation of cottonseed oil which has taken place in recent months and continued on a relatively low scale. This is probably due in general to the rather low price of oriental oil. The total exports of foodstuffs still continues relatively high. For the month of March they will constitute approximately twenty-eight percent of the total exports. (Dept. of Commerce press statement, Apr. 29.)

Foreign Relations

Vice President Coolidge is the author of a letter, of date April 20, written to The Journal of Commerce, and published in its "World Reconstruction Supplement" of April 24. In this Mr. Coolidge says: "The economic condition of the Old World has a direct effect on the economic condition of America. It is necessary that reconstruction should be effected there in order that our own business can be conducted to the best possible advantage. ... That our country is willing to assist in the economic reestablishment of Europe is abundantly manifest by the large sums of money now amounting to nearly a billion dollars, which have been advanced by American interests to European governments since the armistice and by credits provided for business purposes and to facilitate commerce which it is estimated have been much larger. While this has been done, we have avoided every unnecessary interference in the political activities of the Old World. The main causes of suspicion and distrust lie in ignorance. If Americans could know and comprehend the difficulties of other people; if they could know and comprehend our difficulties, a long step would be taken in the direction of a greater mutual regard and desire for helpfulness."

The same issue reprints a letter from British Premier Lloyd George on the "causes and possible remedies of the trade depression" from which Great Britain is now suffering. In this Mr. Lloyd George says: "There is only one road to recovery, and that is by honest and open cooperation between all the nations of Europe. Nothing else will restore the great markets in Central and Eastern Europe whose extinction is affecting commerce and production throughout the world and paralyzing the purchasing power of other markets, both in the East and the West, no less essential to British producers. Nothing else will reestablish the principles of sound finance in the many national budgets unduly burdened by a continuation of military charges. Nothing else will stop the reckless though at present largely inevitable manufacture of paper money and the almost hopeless vagaries of the exchanges which are making sane business impossible."

Grain Grading

Who is Who in the Grain Trade for April 20 says in a lengthy article on changes in wheat grades: "It is evident to those who have kept an eye on the situation that the changes offered are political rather than economic. Those in charge of grain supervision in the Department of Agriculture are opposed to making any material changes because their daily contact with the trade and with the actual grading of the grain has taught them that the debasing of the standards can lead only to trouble for the farmer. ... What the politicians in the Northwest will do with Secretary Wallace can only be surmised. One thing is sure: No change can be made that will satisfy them because they derive their livelihood from agitation. If their suggestions are followed now they will be back in six months with the demand that the grades be changed back again."

Wool Marketing

Forty-five thousand American wool growers saved more than one million dollars by selling through the pools last year, according to C.J.Fawcett, director of the wool marketing department of the American Farm Bureau Federation. The concentration points, with warehousing facilities, which handled the 1921 pool of 22 1/4 million pounds were located at Syracuse, N.Y.; Columbus, O.; Lansing, Mich.; Houston, Tex.; Chicago, Ill.; Portland, Ore., and Fargo, N.D. (A.F.B.F. Weekly News Letter, Apr. 20.)

Section 3.

Department of Agriculture

The Journal of Commerce for April 28 says in an editorial: "The Government crop reporting agencies came in for sound criticism at the hands of the national cotton manufacturers April 27 at the convention in Boston in the report of its buying and storing committee, headed by Randall N. Durfee, of Fall River. The bulk of the report was in the following words: 'Since the last meeting of the association your committee has taken up the very glaring errors made by the Department of Agriculture in their forecast of the acreage and the crop for the season of 1921-22. If such errors continue in the future it would appear to your committee that all forecasts should be abandoned by the Government. The very radical mistakes of the season just closing have been a cause of serious loss to all cotton textile interests, and there would seem to be no excuse for the errors reported. No satisfactory excuse has been given for the discrepancies noted. It would appear to your committee that in future the Government confine itself entirely to statistics, which are reasonably determinable from investigations which can be conducted with the appropriation Congress allows the department for such purposes."

Section 4.

MARKET QUOTATIONS.

Farm Products

Apr.28: Wheat market nervous, lower early, but closed irregular. Chicago May wheat higher at $1.42 1/4; Chicago May corn higher at 61 3/8¢. Corn Trade active. Export demand corn and oats reported good. Closing prices in Chicago cash market: No. 2 red winter wheat $1.43; No. 2 hard winter wheat $1.42; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.41; No. 2 hard winter wheat in central Kansas $1.23.

Chicago hog prices steady to strong, bulk of sales $10.20 to $10.65. Medium and good beef steers firm at $7.65 to $8.80. Butcher cows and heifers firm at $4.65 to $8.60. Fat lambs firm at $12.00 to $15.00.

Potato markets at stronger tone; prices up 20¢ Pittsburgh, 10¢ Cincinnati. Florida new potatoes $6.00 to $6.50 per bbl. in eastern markets. Texas yellow onions steady to strong mostly $2.00 to $2.50 per crate. Sweet potatoes steady in New York and Pittsburgh at $2.00 to $2.25 per bu. Hay markets generally firm and unchanged prices. Receipts light except in Southwest where pastures have lessened the damand for hay. Wheatfeed market slightly weaker. Demand very light. New alfalfa weakening feed market in Southwest. Cottonseed meal firm but demand dull. Butter market steady to firm. Supplies have been well cleared and more fine butter is arriving. Cheese markets active at present prices. Demand good.

Spot cotton advanced 11 points, closing at 17.03¢ per lb. New York May futures up 21 points at 18.20¢.

Industrials and Railroads

Average closing price	Apr. 28	Apr. 27	Apr. 28, 1921
20 Industrials	91.93	91.10	78.57
20 R. R. stocks	84.20	83.60	71.27

(Wall St. Jour., Apr. 29.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 26. Section 1. May 1, 1922.

Soldier Bonus Legislation

Two separate bonus bills embodying respectively the plans of Senators McCumber and Smoot have been prepared for consideration to-day by the Republican members of the Senate Finance Committee. The McCumber plan embraces the House provision for adjusted service certificates with the loan provisions broadened. The Smoot plan contemplates a paid up 20-year endowment life insurance policy without any borrowing provisions. (Press, May 1.)

Agricultural Credit System

Legislation to provide six permanent remedies for defects in the agricultural credit system of the country was recommended to President Harding yesterday by Eugene Meyer, jr., Managing Director of the War Finance Corporation, in a report based upon his recent survey of conditions in the West. Pending enactment of the proposed legislation and the erection of required machinery for its administration, Mr. Meyer recommended that the period during which the corporation might make loans be extended to January 1, 1923. Mr. Meyer reported that on his western trip, undertaken at the suggestion of the President, he found marked improvement, and that "everywhere hope and confidence are taking the place of the despair which six months ago was so widely prevalent. The experience of the past year has, however," he said, "revealed certain defects in our agricultural credit system which are of a more fundamental nature, and which can not be remedied by temporary measures."

As remedial measures be recommended: Enactment of legislation specifically authorizing the organization of institutions to rediscount the paper of live-stock loan companies, and the establishment of a system for the more adequate supervision and inspection of the live stock which furnishes security for the paper; frank recognition of the need for the orderly marketing of our agricultural products in a more gradual way and over a longer period, and the adjustment of existing banking laws and regulations, with this end in view; establishment of a rediscount facility to make it possible at all times for cooperative marketing organizations to obtain adequate funds for their operations; extension of the powers of the Federal Reserve banks to include the purchase in the open market of eligible paper secured by nonperishable agricultural commodities, properly warehoused; encouragement of State nonmember banks to enter the Federal Reserve system and reduction of the minimum capital required for admission to the system -- admission in such cases to be conditioned upon an undertaking to increase the capital to the present minimum of $25,00 within a definite time. ... (From the report.)

Genoa Conference

"The first real progress with the Russian problem was made April 29 when the powers agreed to a statement to the Soviet delegation of what they could do for Russia if the Bolsheviki fulfilled conditions." (N.Y.Times, Apr.30.)

Section 2.

Agricultural Commission's Report

1. The Congressional Joint Commission of Agricultural Inquiry April 30 issued a statement to the press as to that portion of its conclusions referring to railroad equipment, car supply and distribution. Complete standardization of freight cars and central control of distribution of all classes of freight cars will be recommended to Congress in the forthcoming report of the commission as among the remedies for the constantly recurring car shortage evil. In outlining this part of the report, Sydney Anderson, chairman of the commission, said yesterday: "We have found that the number of locomotives operating and owned by some railroads is inadequate to meet the need during business activity and it should be augmented; that the supply of box cars, coal cars, stock cars, and refrigerator cars is inadequate to meet the demand during normal periods of activity and should be rapidly augmented. ... " (From the report)

2. The Congressional Joint Commission of Agricultural Inquiry May 1 issues a statement for the press as to that portion of its conclusions relating to railway labor and wages. According to this statement, one of the most striking findings to be made by the commission in its forthcoming report to Congress will have reference to the railroad labor situation. Chairman Sydney Anderson, outlining the commission's conclusions on this subject, said: "We have found that the compensation paid to railroad employees increased 151 per cent in 1920 over 1916, and to 105 per cent in 1921 over 1916; that the number of employees increased in 1920 over 1916 was 384,830; and that in most cases the number of hours' work increased in much lower ratio than the number of employees. ... " (From the report)

Agricultural Financing

The War Finance Corporation announces that from April 24, to April 26, 1922, inclusive, it approved 76 advances, aggregating $3,463,000, for agricultural and live-stock purposes in 20 States. (W.F.C. press statement, Apr. 27.)

Arctic Meat

V. Stephansson, the explorer, described colonization possibilities of the Arctic regions of Alaska, Canada and Siberia, before the American Geographical Society and the Association of American Geographers, in New York, April 28. Mr. Stephansson said that as the meat-producing areas of the United States are turned to other uses, the economic resources of the Polar regions may be utilized, and in 50 or 100 years the feasibility of raising large numbers of musk ox and reindeer there may be demonstrated. (N.Y.Times, Apr. 29.)

Bankers' Convention

At the annual spring meeting of the Executive Council of the American Bankers Association, to be held at White Sulphur Springs, West Va., during the week of May 7, J.R. Howard, president of the American Farm Bureau Federation will be a speaker at the morning session of May 10. The afternoon of May 10 will be devoted to an agricultural symposium presided over by Joseph Hirsch, president of the Corpus Christi (Tex.) National Bank, who is chairman of the agricultural commission of the association. (Press statement of Am. Bankers Assoc., May 1.)

Farmer on Reserve Board

. . . . . Hoard's Dairyman for April 28 says in an editorial on the value of a person familiar with the needs and demands of agriculture upon the Federal Reserve Board: "We fully appreciate there is not much argument in demanding various classes of citizens to be placed upon a board of this character which, to be effective, must be composed of men who understand financial matters. ... We think every farmer, or representative of the farmer, who has the true interest of his country at heart, recognizes this and would object if any other course were taken by the President in the selection of such a board. However, we can see no objection to selecting a man who understands financial matters and at the same time has some understanding of the needs of the manufacturer or the needs of agriculture. Many illustrations can be cited that show that not all bankers fully appreciate the various kinds of credit which should be given to the farmer in order to have it of real service to him. Instances can be given, too, where short time credit has worked to the positive injury of the farmer who has borrowed money, as well as to agriculture in general. Lending money to a dairy farmer, for instance, to purchase heifer calves, and expecting it to be paid within 90 days or a year, or even two years, is not comprehending the needs of the dairy farmer. If yearling heifers are purchased, it will be a full year before they start making any return. ... To lend money intelligently to the dairy farmer a person must know something regarding the dairy business. The beef farmer very often buys his steers in the fall at the stockyards, and he has them ready to turn to market the following May; or, in some cases, even earlier. Six months of credit may be long enough in such instances, while in other instances if feeders are purchased, it may require at least two years. Storing farm commodities so they may be placed upon the market in an orderly way may require 90 days' credit in some instances and a year or more in others. Farmers, or their representatives, are not asking for an amendment of the Federal Reserve law that the President may appoint a farmer simply because he is a farmer. They desire men who understand banking and matters pertaining to credit and they also desire some one on the Federal Reserve Board who understands the needs of the various branches of agriculture that they may obtain money upon a sensible basis and for a sufficient length of time to meet their requirements. This is not asking more than the manufacturer or the merchant demans, and we think it a reasonable request."

Filled Milk Legislation

Hoard's Dairyman for April 28 says in an editorial: "The enactment of the New York filled milk bill into law is another large victory for the dairy interests of this country and a severe blow to the spurious compound, filled milk. The population of New York is nearly ten and one-half million, about one-tenth of the total population of the United States. The success which the states are having in securing laws to prohibit the manufacture and sale of filled milk, indicates that the public is becoming informed regarding this product. It was not the dairymen, alone, in New York who were responsible for this success, for health departments, women's clubs, and all persons interested in the welfare of the people assisted in securing this legislation."

Freight Rates

"If it were possible for freight rates to follow production costs upward as rapidly as do merchandise prices, there would be justice in the demand that they be reduced as promptly during a general liquidation. But if the carriers are to survive as going concerns, with facilities adequate to handle the country's traffic, they have every right to benefit as well as to suffer from the comparative stability of established rates." (Wall St. Jour., Apr.26.)

Grain Trading

The Nebraska Farmer for April 29 says in an editorial: "Congress recently enacted a law that was supposed to prevent undue speculation in grain. Yet last week on the Chicago Board of Trade there occurred one of the most exciting days of speculative trading in the history of that market. May wheat advanced 9 cents a bushel following a wild scramble and the enactment of scenes similar to that of the famous Leiter corner on wheat in 1898. ... Such trading in grain can hardly be called merchandising for these big advances in price usually are only of temporary duration and benefit the grain grower but little, especially when most of the wheat is out of his hands. A marketing system which prevents needless fluctuation by feeding the market gradually, or as fast as the grain can be absorbed, through grower agencies, would be much more efficient and satisfactory from the producers' standpoint."

National Agricultural Conference

In referring to the report of the National Agricultural Conference, The American Review of Reviews for May says: "This document contains much valuable material bearing upon the fundamental conditions of our agriculture as well as upon present problems of prices and markets. President Harding's address was statesmanlike, and there were a number of papers that showed the highest order of ability and comprehension. Such, for instance, was Dr. Richard T.Ely' noteworthy address entitled 'A National Policy for Land Utilization.' And of similar value was the address of President Pearson of the Iowa State Agricultural College on a 'National Policy for Agricultural Research.' If the need of improvement in the economic and social aspects of country life is great and urgent, it is at least a fortunate thing that this need is recognized by leaders of the highest type of character and knowledge."

Potash Find in Texas

Discovery of potash in notable quantity in the southwestern corner of Reagan County, Texas, was announced April 28 by the U.S. Geological Survey. (Phila. Ledger, Apr. 29.)

Price Levels

"With the inflation forced out of the farmer's business, of vital interest to him now is the problem of price relationship. When the price of one commodity declines sharply while others remain stable or perhaps advance, it is perfectly evident that those who produce and sell the first commodity are at a disadvantage when buying the others. The buying power of the first producer is curtailed considerably, depending upon the difference between the two levels of prices, and the manufacturers of the other commodities suffer from having their market restricted and their volume of sales reduced as a consequence. It is a condition of disorganized price relationship which has been affecting the farmer and other industries during the past year and a half, and the return to normal business conditions is predicated, we believe, upon a narrowing of the spread between prices for farm products and those of other industries." (Nebraska Farmer, Apr. 29.)

Section 3.

Department of Agriculture

1. In commenting on the study of farm population and country life, The American Review of Reviews for May says in part: "At Washington, broad measures of national policy are under consideration. Meanwhile the Department of Agriculture is studying hundreds of particular problems that bear upon the success of individual farmers and of farm communities." The article refers to Dr.C.J.Galpin in charge of Rural Life Studies of the Office of Farm Management and Farm Economics, as "a veritable apostle of progress and reform in our farming districts." In discussing the merits of his book "Rural Life", to which it refers as "an admirable volume", the article continues: "The careful study of a book like Dr. Galpin's supplemented by one of his inspiring speeches, might well bring a new spirit into many a stagnant neighborhood."

2. "There is a bill pending before the United States Senate to grant to the Federal Department of Agriculture power to establish conciliation courts and substantially to reestablish war-time control over commission merchants and power to establish loading-point inspection on farm products moving in interstate commerce. In a recent decision of the Supreme Court of the United States, the issue being Federal vs. State inspection of grain, the defendant being the State of North Dakota, it was held by six of the nine members of the Supreme Court that wheat on the farmer's wagon was presumably in interstate commerce, and that, in the case cited, the Federal law supersedes and nullifies the State law. Couple this decision with the legislation now being demanded by the Federal Department of Agriculture and the passage of that legislation destroys regulatory control over dealers in farm produce and wipes out the produce inspection service of each and every State in the Union. The Wisconsin Agriculturist is firm in the belief that the best service to the people of the Nation can be rendered by delegating to the Federal Government only those powers which the States can not themselves properly exercise. It seems to us that it is peculiarly the function of the State to protect its citizens and to administer justice as between them. It is also peculiarly its function to give to its citizens that assistance which a close and intimate acquaintance with their local problems can alone assure. What use is it for the State of Wisconsin to elect a legislator every two years to sit at the capitol for several months to make and unmake laws for the State of Wisconsin, if, after such laws are made, the State has no power to enforce them, and the Federal Government is going to administer all local laws?" (Wisconsin Agriculturist, Apr. 15.)

Section 4.

MEETINGS, HEARINGS AND VISITORS.

W.J. Lobjoit, Comptroller of Horticulture, of the British Ministry of Agriculture, and a member of the committee on fruit preservation and vegetable drying, will visit the department during the week of May 7. Mr. Lobjoit may be reached through the States Relations Service.

Section 5.
MARKET QUOTATIONS.

Farm Products

Apr. 29: Wheat market nervous. May prices especially erratic, but July was firm at close. Chicago May wheat lower at $1.39 5/8; Chicago May corn lower at 61¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.40; No. 2 hard winter wheat $1.39; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 48 1/2¢; No. 1 dark northern wheat in central North Dakota $1.42; No. 2 hard winter wheat in central Kansas $1.23.

Chicago hog market strong to 10¢ higher, bulk of sales $10.25 to $10.70. Cattle, sheep and lamb prices practically unchanged. Medium and good beef steers $7.65 to $8.80. Butcher cows and heifers $4.65 to $8.60. Light and medium weight veal calves $6.00 to $8.25. Fat lambs $12.00 to $15.00. Potato markets generally firm; up 15¢ to 20¢ at Minnesota shipping points. Florida potatoes 25¢ to 75¢ in eastern markets at $6.25 to $7.00 per bbl. Texas yellow onions up 25¢ at $2.25 to $2.75 per crate. Carolina Wakefield cabbage $3.00 to $3.75 per hundred lbs.

Spot cotton unchanged at 17.03¢ per lb. New York May futures advanced 1 point, closing at 18.21¢.

Grain market had heavy undertone during the week and prices closed lower. Chicago May wheat down 8¢; Chicago May corn down 1¢. Big export business had only temporary affect. Principal market factors were heavy liquidation on improved crop conditions, slow demand and lack of buying support. Chicago hog prices up 10¢ to 15¢. Beef steers and butcher cows and heifers up generally 15¢ to 25¢. Stockers and feeders up 15¢. Veal calves generally 50¢ higher. Fat lambs up 50¢ to 75¢. Eastern wholesale fresh meat prices were generally sharply higher.

Middle western potato markets stronger. New York and northern sacked round whites firm in eastern markets. Texas yellow Bermuda onions up $1.75 at shipping points. South Carolina Wakefield cabbage higher. New York Baldwin apples, best grade, firm in New York. Louisiana strawberries higher.

Hay market generally firm at unchanged prices; receipts light except in southwest, where pastures have lessened the demand for hay. Wheat feed market slightly weaker, demand very light. New alfalfa weakening feed market in southwest. Cottonseed meal firm; demand dull. Butter markets steady to firm at practically unchanged prices. Some shipments show considerable grass flavor. A break in prices is expected if weather conditions continue favorable for increased production. Cheese market active; demand good.

Spot cotton up 9 points, New York May futures up 30 points. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	Apr. 29	Apr. 28	Apr. 29, 1921
20 Industrials	92.74	91.93	78.84
20 R.R. stocks	84.43	84.20	71.25

(Wall St. Jour., May 1.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 27. Section 1. May 2, 1922.

Packers and Stockyards Act Constitutional

The Packers and Stockyards Act of 1921 was held constitutional May 1 by the Supreme Court. Declaring the stockyards "are not a place of rest, or final destination, ... but a throat through which the current flows, and the transactions which occur therein are only incident to this current from the West to the East, and from one state to another," the court described the livestock business conducted in the yards as interstate in character. Congress, in the act, "treats the various stockyards of the country as great national public utilities to promote the flow of commerce," Chief Justic Taft stated in delivering the opinion of the court," and assumed "that they conduct a business affected by a public use of a national character and subject to national regulations. That it is a business within the power of regulation by legislative action needs no discussion." (Assoc. Press, May 2.)

New Roads Legislation

By a vote of 239 to 31, the House May 1 passed the Dunn bill authorizing additional appropriations for Federal aid in the construction of post roads -- $65,000,000 for the fiscal year 1923, and $75,000,000 for the fiscal year 1924 -- and $6,500,000 for the construction of forest roads and trails during the fiscal year 1924. The report on the bill submitted by Representative Dunn stated that a section of the bill provided that the Secretary of Agriculture shall continue to approve projects of states for five years after passage of the bill if he should find the state had complied with the provision of the general road act insofar as its constitution and law would permit. (Assoc. Press, May 2.)

Henry Ford and Muscle Shoals

Chief Engineer Mayo, representing Henry Ford, told the Senate Committee on Agriculture and Forestry May 1 that if Mr. Ford's offer for the development of the Muscle Shoals project is accepted the manufacture of commercial fertilizer by a secret process and their delivery to consumers at one-half the present market price would be assured. (Press, May 2.)

War Finance Corporation Extension

The Senate May 1 passed the bill extending for one year from next July 1 the powers of the War Finance Corporation as amended to provide for agricultural relief. (Press, May 2.)

Section 2.

Agricultural Commission's Chairman

The Nation's Business for May presents an article on Hon. Sydney Anderson, chairman of the Congressional Joint Commission of Agricultural Inquiry, which says in part: "Fortunately for the cause of truth and common sense, an able, serious and painstaking man, with the temperament of a judge and the talent of a scientist, was placed at the head of the commission. A professional friend of the farmer might have been chosen; or a demagogue. Mr. Anderson is a friend of the farmer, but befriending the farmer is not the way in which he makes his living or gets into public office. ... And that is what the country needs above everything else -- understanding; understanding of the farmers' problems; understanding of the problems of business. We have had too much careless and thoughtless talk in the United States. The members of the Joint Commission of Agricultural Inquiry hope that their forthcoming report on the railroads, on the distribution of products, will help the people to a better knowledge of that great subject. With knowledge, which means the facts, there will be more wisdom and more sympathy in the Nation and less contention."

In an editorial on this article, The Nation's Business thus refers to the commission's report: "The report will be on such a scale as has never before been undertaken to reveal the causes of the spread between cost of production and price to the consumer. It will answer the general outcry against the middleman, and justify his economic existence. It will not urge 'cheap money,' nor charge the profiteer with responsibility for all our woes."

Agricultural Financing

Commenting upon the report of Eugene Meyer, jr., Managing Director of the War Finance Corporation, made public April 30, E.G. Lowry says in the Philadelphia Public Ledger for May 1: "The report ... deserves the consideration it will receive. ... A strong group in the Senate and House favors the perpetuation of the War Finance Corporation. Mr. Meyer opposes this and suggests alternative methods of helping the farmers and live-stock men to borrow money on terms and conditions that will meet their needs. As he points out to the President, the experience of the last year has revealed certain defects in our agricultural credit system which are of a fundamental nature and which can not be remedied by temporary measures. The whole western country is behind the demand evidenced in Congress for the continuance of the War Finance Corporation, but Mr. Meyer tells the President: 'The dangers of over-centralization in banking are not to be ignored. The War Finance Corporation is a form of centralized banking power in its most extreme application; and while such a centralization of power and resources was suitable for the grave emergency that confronted the agricultural and banking interests of the country last autumn, it is, in my opinion, entirely unsuited to the permanent banking structure of the Nation.' That conclusion hardly will be disputed."

Cotton

1. World cotton consumption has returned to its prewar level after a five-year period of low consumption, according to a survey of the international cotton situation covering production, consumption and stocks as of April 1, made public May 1 by the Department of Commerce. "The striking feature of the situation," the department said "is an indicated consumption of 21,000,000 bales for the year ending July 31, 1922, approximately 6,000,000 bales more than was produced for the

crop year." The world carry-over, the department concluded from its survey, will return to normal by August 1, 1922, while the outstanding feature of interest now is the degree to which world cotton production will return to the prewar level or whether it will continue on the basis of the last five years' average of 18,000,000 bales. Much depends, the department declared, on weather conditions and the extent to which the boll weevil proves to be a limiting factor. (From the report.)

Cotton

2. The Wall Street Journal for May 1 says in an editorial on "Our Cotton Carryover": "A difference of 3,000,000 bales of cotton in two estimates of the carryover is worth noticing. A reader calls attention to the fact that recently The Wall Street Journal spoke of the carryover at August 1, last, as 6,534,000 bales, while in the circular of the Cotton Acreage Committee of Memphis it was put at 9,194,000. The harmony in diversity, which Aristotle spoke of as an evidence of truth, can be easily found in these two sets of figures which on the face appear to contradict each other. Figures quoted by the Cotton Acreage Committee are from Secretary Hester of New Orleans, who is a recognized authority. But he was estimating the total supply of American-grown cotton in all parts of the world, and his estimate included 665,000 bales of linters. Deducting the linters from Hester's total, we have 8,529,000 bales of American-grown cotton lint in all the world on August 1, 1921. The carryover of 6,534,000 published in these columns, referred to by this reader, was the estimate by the Bureau of the Census of lint cotton in the United States (not the whole world) on August 1, last. ... There is still a slight disparity in the figures of The Wall Street Journal and those of the Cotton Acreage Committee. The committee uses the Department of Agriculture's estimate of 8,340,000 bales for the crop of 1921, while this newspaper's estimates are based on the Census Bureau's final ginning report, showing a crop of 7,976,665 bales of lint. The disparity is merely apparent, not real."

Emigration to Canada

"Why American Farmers Move to Canada" is the title of an article by R.J.C. Stead, Director of Publicity, Canadian Department of Immigration and Colonization, in Commercial West for April 29. In this the author says: "Perhaps the most important and outstanding reason for this movement is the cheap lands of western Canada. In the matter of land prices, western Canada to-day stands where the great grain growing states of the Union stood a generation ago. The fertility of the land is unquestioned, but the vast acreages available have prevented the building up of fictitious or monopolistic values. So long as fertile land may be had as free Government grants, even if it is a considerable distance from railways, there is little possibility of forcing prices for land of the same quality in the same province to figures of two or three hundred dollars per acre. As a matter of fact, while as high as $100 per acre may be paid in some exceptional cases for particularly well improved land in western Canada, improved land with comfortable buildings and in good state of fertility can be bought in all sections of the country at prices ranging from twenty to fifty dollars per acre. Unimproved lands command as a rule from fifteen to thirty dollars an acre. Next to the cheapness of Canadian land, and bearing a very close relationship to it, is the high price to which lands in the United States have gone in recent years."

Grain Grading

Implement and Tractor Trade for April 22 says, in a dispatch from St. Paul: "Spring wheat grades as proposed by the Secretary of Agriculture are objected to by State grain experts. Efforts have been made to induce a change from the grades proposed. A conference attended by grain inspectors and members of the boards of grain appeals, was held here. Five changes are proposed by the Secretary of Agriculture. These would make the moisture content of all grades of wheat 14 percent instead of 14, 14 1/2 and 16 percent as now allowed; would permit the same limit of foreign substances in all grades; would change weevily wheat grades and in garlicky wheat, would allow five bublets of garlic to 1,000 grains of wheat instead of one bublet as now. It is claimed that the proposed grading will deprive the farmers of the Northwest of large amounts of money."

Price Fixing

"Professor W. F. Handschin of the University of Illinois makes some statements in regard to what he terms the profit plus the cost idea. According to the information received from the farmers in 1913 it cost one county from 45 to 55 cents to produce a bushel of corn; in another county it cost from $1.00 to $3.50. In 1914 the cost ranged from 60 cents to $3.00. Professor Handschin asks: 'What is the cost of production of a bushel of corn?' He continues by saying that 'Wherever you fix the price of corn there will always be some who can not secure a return equal to the cost of production and provide for a profit. The quality and character of the soil, the efficiency of the farm and farmer, climatic conditions, markets, and other factors must be taken into consideration in determining the cost of a bushel of corn.' If these men who advocate minimum prices and fixing prices on cost of production will study history they will find that there is nothing new in their suggestions and they will learn, wherever it has been tried, failure followed. The only successful way to get cost of production plus a profit is through efficiency in production and marketing and producing no more products than the market will consume at a price which will yield a profit. Every manufacturer and merchant recognizes this principle of trade and we know the thinking farmer also understands it." (Hoard's Dairyman, Apr.28.)

Ship Subsidy and Agriculture

"The Subsidy as a Farmer Sees It" is the title of an article by Harvey J. Sconce, in The Nation's Business for May. In this Mr. Sconce, who calls himself a "dirt farmer," says: "With the excessive rail rates of the present, a ship subsidy would mean much more to the industrial sections of the country and the seacoast than it would be to those of us who are in the interior, while at the same time the burden of the subsidy would be borne equally by all of us. This situation would be analogous to that arising from the Panama Canal, which has helped both coasts materially but which has had a tendency to increase freight to us who are in the interior, because that which the railroads lose from coast to coast through water competition, made more effective by the Panama Canal, must be made up in increased rates from the interior. The way to offset this inequality is to create the Great Lakes-St. Lawrence deep waterway to the sea. This would be the best argument for the ship subsidy plan from the standpoint of the middle West farmer, as he then would have the opportunity of loading his agricultural products for foreign shipment practically at the front gate of his farm. He would have greater reasons to subscribe to the ship subsidy program if he could

load his products at Great Lakes ports on American ships, which he had helped finance, and which would carry these products to foreign ports under the American flag and in competition with all other shipping, than if he had to pay an excessive rail rate to the Atlantic coast before his products are loaded on ships of a subsidized merchant marine. We realize that a ship subsidy has the appearance of favoring a special interest at the expense of others. In many cases this is perfectly legitimate as it has been in the case of aid furnished by the Government to the railroads in times past in various ways. In fact, the railroads are enjoying at present Government aid that is equivalent to a subsidy. The airship transportation will necessarily receive a subsidy in order to assist it in developing into a national utility and an agency of defense. Federal aid in the building of hard-surfaced roads is a subsidy to the automobile industry and to the fortunate man who owns a farm adjoining one of these great highways, not only because the road furnished better transportation facilities for the delivering of farm crops, but because it enhances the value of the farm many dollars an acre. Congress at different times has voted funds to buy seed wheat for farmers of Kansas and North Dakota when drought or frost has left the farmer helpless. This is a subsidy of course and it has been justifiable because it not only put the individual farmer upon his feet, but increased materially the nation's production in the ensuing year."

Section 3.

Department of Agriculture

1. "The changes made in the wheat grades by the Secretary of Agriculture affect the Northwest only. They are not really material -- just college-made stuff, the purpose of which the Secretary frankly says is to affect the price paid the farmer. The method is unique, as will be seen by reading his apology for the changes. The changes for that purpose have all the characteristic impracticability of the philosopher in business. In the last analysis they amount to fuller notice to the buyer of the kind and quantity of the dockage and the amount of water in the grain, which must appear on the inspection certificate; so that the buyer may have notice and make his bid on that basis. The implication that the buyer should or will pay for broken kernels and shriveled grain as good milling wheat is of course the altruistic impulse behind the changes. And that is what makes our old friend, Chairman Jacobson of the Minnesota R.R. and Warehouse Commission, boiling mad. After all his labor to create sentiment in the Northwest to the effect that the standard grades are an abomination to rob the farmer, to have this innocuous folderol thrust upon him is '2 mutch,' as the late A.Ward would say it. ... Yet both are wrong. Both stand for a juggling of the old standards in order to somehow work them to get more money for the farmer without requiring him to improve the quality of his grain; and only a philosopher and a politician do not confess that will not work." (Price Cur.-Grain Rep.,Apr.26.)

2. "There is little doubt that the money spent by Uncle Sam and the States on marketing dope is mostly waste. Government remedies for the current marketing 'evils' so-called, as marketing pertains to the purchase and distribution of grain and live stock at least, are, as Robert R.Hammond, a large stock grower of Illinois and Texas, has

said, 'the products of quackery.' A not inconsiderable part of the millions appropriated for the marketing division of the Bureau of Markets and Crop Estimates is for the collection and dissemination of market news so-called, statements of receipts and shipments, daily prices. Where the quality of that 'news' is appreciated it is as a rule dismissed as mainly inconsequential. A well-trained professor of agricultural economics, one of the few men of that profession who really knows a market when he sees it, recently said of the Government's daily and weekly market reports that, 'I do not think this material is used extensively by farmers; it is too technical for them.' And it is of little use to the trained business men because it is not technical enough. It is this teacher's idea, however, that perhaps in the course of twenty years a system of news gathering of this sort may be developed by the Government, after spending many millions doing it, which may be of some use to someone. But what would it avail when that has been achieved? If we concede that the drift of our Government is toward Socialism and that we shall all end in that quagmire at last, well and good; let's go to it and have it over with. But if we do not wish that, why encourage the drift and stimulate it? Why not teach our young men, farmers and business men to rely upon themselves and not upon the Government."
(Price Current-Grain Reporter, Apr. 26.)

Section 4.
MARKET QUOTATIONS.

Farm Products

May 1: Wheat market strong throughout with lack of selling. Chicago July wheat higher at $1.28 1/4; Chicago July corn firm at 65 3/4¢. Visible supply of wheat 31,281,000 bushels, a decrease of 212,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.42; No. 2 hard winter wheat $1.41; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 38 1/2¢. Average farm prices: No. 2 mixed corn in central Iowa 49 1/2¢; No. 1 dark northern wheat in central North Dakota $1.41 1/2; No. 2 hard winter wheat in central Kansas $1.20.

Chicago hog prices down 15¢ to 20¢, bulk of sales $10.10 to $10.60. Medium and good beef steers steady to lower at $7.50 to $8.75. Butcher cows and heifers $4.65 to $8.60. Fat lambs steady at $12.00 to $14.85. Potato prices in city markets firm to strong. Michigan and Minnesota shipping points $1.70 to $1.75. Florida potatoes stronger at $5.00 per bbl. f.o.b. Hastings. Carolina cabbage $3.50 to $4.00 per 100 pounds. Texas yellow onions generally $2.50 to $2.75 per crate. Carolina strawberries mostly 25¢ to 35¢ per qt. in northern markets. Eastern hay markets generally firm for best grades of timothy. Lower grades of timothy in poor demand and sold only at material price concessions. Wheat mill feed market slightly weaker. Offerings more liberal from mills and jobbers. Prices tending downward. Country demand continues light. Butter markets steady except at Chicago which turned very weak and declined 1 1/2¢. Light spring production has served to hold markets in steady position. Cheese markets steady. Low prices have stimulated good demand and the more active trading and steady position of butter markets have been factors of influence.

Spot cotton advanced 28 points, closing at 17.31¢ per lb. New York May futures advanced 48 points, closing at 18.69¢. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 28. Section 1. May 3, 1922.

Genoa Selection of Taft Pleasing

The New York Times to-day says: "President Harding is greatly pleased over the invitation to be extended by the powers participating in the Genoa conference to Chief Justice Taft to name the president of the international commission which will pass upon the Russian Government's prewar debt."

Bonus Legislation

Republican members of the Senate Finance Committee May 2 decided to put the soldier bonus problem up to the President after agreeing tentatively to a program embodying substantially the House bill plan of bank and Government loans on adjusted service certificates in lieu of the original cash bonus proposal. (Press, May 3.)

War Finance Corporation Extension

A bill extending the life and activities of the War Finance Corporation to May 31, 1923, and carrying out the recommendations of Managing Director Meyer, was introduced in the House May 2 by Representative Young. (Cong.Rec., May 2.)

Nebraska Governor Sees Central States in Lead

Governor McKelvie, of Nebraska, told members of New York's Rotary Club May 2 that the central states have returned almost to normal conditions, leading the rest of the country. He added, however, that inasmuch as other commodities usually follow the trend taken by agricultural products, the entire country soon would be enjoying prewar conditions. (N.Y. Times, May 3.)

Genoa Conference

The draft of the allied proposals to Russia for the reconstruction of that country was sent to the Russian delegation May 2, with an amendment offered by the French to the clause relating to restitution of or compensation for private property nationalized by Russia and with a French reservation declaring that the French delegation withholds its final approval until further instructions are received from Paris. (Assoc. Press, May 3.)

It was announced May 2 that thirteen countries had subscribed 20,000,000 pounds capital to the consortium or international corporation for undertaking business in the economically crippled countries of Europe. The main purpose of the consortium is business in Russia. (N.Y. Times, May 3.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that on April 27 and 28, 1922, it approved 48 advances, aggregating $1,188,000, for agricultural and live-stock purposes in 22 States. During the week ending April 29, 1922, the corporation approved a total of 124 advances, aggregating $4,651,000, for agricultural and live-stock purposes. (W.F.C. press statement, May 1.)

Agricultural Production and the Tariff

Wallaces' Farmer for April 28 says in an editorial on "Readjusting Agricultural Production to the New Tariff": "... Our agriculture has been built up on the basis of expecting European demand to absorb half our cotton crop, one-fourth our wheat crop, and one-tenth of our hog production. Can Europe pay American farmers cost of production every year for 150,000,000 bushels of wheat, 6,000,000 bales of cotton and 1,000,000,000 pounds of pork? It would seem to be an utter impossibility unless Europe sells us two or three times as much in the way of manufactured goods as will likely be let into the United States under the proposed tariff. If the proposed tariff really represents a well thought out national policy, it would seem to be essential for us to get to work at once on readjusting our agriculture in conformity thereto. If we make it impossible for Europe to create in the United States the necessary credits with which she can pay cost of production for our wheat, cotton and pork, then it is up to the American farmer to restrict his production of these commodities to his home market. The proposed tariff seems to be devised with the idea of making the United States more nearly self-sustaining. This necessarily means, therefore, that we must put less energy on those products of which we have formerly exported a surplus, and more energy on the products which we have formerly been importing. We must grow more sugar beets and less corn; more sheep and fewer hogs. Incidentally, it would seem to mean that the American farmer should grow more of the specialties and less of the staples. ... When the tariff bill is finally passed, as it probably will be during the next two months, it would seem to be wise for the Departments of Agriculture and Commerce to make a very thorough study of what readjustments in the United States will be necessary to meet the new situation. Will the South have to raise a little less cotton and a little more corn and hogs? Will the corn belt have to raise a little less corn and hogs and a little more in the way of pastures, sheep and cattle? Will the far West find it advisable to discontinue the grazing of some of its poorer land altogether? Of course, matters of this sort always work themselves out if given time, but if a little human intelligence is put on the problem in advance, it may be possible to save a very considerable amount of human energy and the waste of capital."

Cotton Production

The Wall Street Journal for May 2 says in an editorial on production of cotton: "Is the production of American cotton excessive? The question is inspired by an item in a Philadelphia paper which says: 'As to cotton, it will doubtless be long before any other part of the world need be feared, and the danger to us has all the way along been not competition, but excessive production here, which has cut prices below cost of production.' A reader asks The Wall Street Journal if the last half of this statement is correct. The answer is that it is not. The cotton market has not been suffering from overproduction, but from underconsumption. Producers also suffer from a

system of marketing and financing that dumps the bulk of the crop on the market at one time, and unduly depresses it. Before the war began cotton economists were taking a serious view of the situation. Year by year, the world consumption of cotton, including American-grown, was steadily increasing. The last year of peace showed an increase of nearly 25 per cent in the consumption of American cotton compared with 1906. Production also was increasing, but in an irregular way -- a large crop one year and a small one the next. The total increase was not equal to the gain in consumption. The statistics of production and consumption prove this. The conclusions to be deduced from such evidence is that demand was becoming greater than supply. The idea of 'excessive production' is the result of the uneven haphazard method of planting, if method it can be called, where method there is none. If price is up one year the acreage is increased the next; the large production forces prices down and the next season acreage is cut. ... Instead of being a part of a well ordered system of agriculture, cotton planting resembles the game of two little children on a 'teeter'. At the immediate present there is a limit to what world consumers can pay for; there is also a limit to the amount of cotton the mills can consume. ... But these are temporary handicaps and checks. Civilization is extending its use for cotton; the war has actually increased the purchasing power of some countries; wherever the missionary carries Christianity and civilization a new demand is created for cotton goods. The limit of the world's needs and wants for cotton has never yet been sounded."

Dairy Marketing Research

The advisory committee of the Department of Research of the American Farm Bureau Federation -- composed of Professor Hibbard, of the University of Wisconsin; Professor Handschin, of the University of Illinois; Professor Nourse, of the Iowa State College, and Dr. H.C. Taylor, Chief of the Bureau of Markets and Crop Estimates, -- will meet with Acting Director Moorhouse in the general offices of the American Farm Bureau Federation on May 6. At this meeting further plans will be developed for the research studies in cooperative dairy marketing to be carried on by means of fellowships established at selected state colleges of agriculture. The funds for the fellowships will be furnished by the state farm bureau federations. It is expected that eight or nine states will cooperate in this project. The American Farm Bureau Federation will have general charge of the investigations and will bring the separate studies into one final report. (A.F.B.F. News Letter, Apr. 27.)

Europe Buying U. S. Grain

Alfred B. Dennis, who is investigating European food conditions as special representative of the Department of Commerce, and now in Rome to attend a general meeting of the International Institute of Agriculture, stated May 2 that "despite the hard times and progressive decline in the currencies of Central Europe, there is no lessening of the purchases of over-seas foodstuffs. Europe imported in eight months of the present cereal year an excess of 40,000,000 bushels of wheat over the same period last year, after an exceptionally fine native harvest. A good market for American wheat seems assured for at least a year, a cold late spring increasing consumption and postponing maturity of the next harvest." (Assoc. Press dispatch to N.Y. Times, May 3.)

Grain Cleaning

"Insurance and grain interests will likely get together following the suggestion made to Secretary of Agriculture Wallace by the Wisconsin Industrial Commission that a conference of representatives of all terminal elevators in the Middle West be held to consider plans for removing dust from grain as it is being taken into elevators. Dust explosions, causing loss of life and property, have caused the Industrial Commission to consider the problem of dust removal. When there is variation in the requirements of the different states grain growers and shippers are likely to send their grain to elevators in states where the least cleaning is required before storage, as they are thus docked the least for dirt in the grain. To avoid discrimination against Wisconsin the Industrial Commission desires that action be taken by the grain states generally. The insurance interests want all possible dust removed to reduce the danger of dust explosion." (Madison, Wis., dispatch to Modern Miller, Apr. 22.)

Prices

The Federal Reserve Board says in its statement for the press issued May 2: "Whatever price changes have occurred during April have been of very small dimensions. Among the agricultural commodities, wheat, corn and oats averaged about one cent higher in the first three weeks of April than in March. On the other hand, prices of cotton, cattle, hogs and meat products were a shade lower than in March, and sheep prices declined heavily. In the same way, only small changes occurred in the prices of most of the leading metals and coal although pig iron advanced on the average between 50 cents and $1.00 a ton, while lead advanced about 3/4¢ a pound. Lumber prices were practically unchanged. The same stability characterized manufactured goods also. The American Woolen Company advanced prices of certain of their fabrics slightly, but woolen and worsted yarns have been practically unchanged. Cotton yarn prices have been fractionally lower, while any reductions which may have occurred in cloth have been slight. The Federal Reserve Board index of wholesale prices for March (revised figure) stood at 147 as compared with 100 in 1913. This was one point higher than the index for February. Increases occurred in agricultural commodities, pig iron and coke among the raw materials, and in cotton seed oil, burlap, certain chemicals, sugar and meats among the finished goods. There were decreases in hides, silk, coal, copper, and tin; in certain petroleum and steel products, rubber, brick, and in a considerable number of foodstuffs. Otherwise commodity prices were largely unchanged."

Production

"Factory Production vs. Agricultural Production" is the title of a statement in the review of the National City Bank of New York for May 2. This says in part: "The question of curtailing production has been a live one in the agricultural districts in recent months, and a good deal of misleading argument has been based upon misunderstanding of the practice of curtailment in the manufacturing industries. A leading agricultural journal in Iowa recently received the following inquiry: 'Do you have any figures proving that factories reduce their production when producing at a loss? We have been debating this matter of reducing corn acreage, and wish to know to what extent business generally follws the policy of reducing production when prices are below the cost of production.' To this it made the following reply: 'It is an almost invariable rule for business men to cut production when prices fall, and to increase

production when prices rise.' ... No exception can be taken to this reply, so far as it goes, but it does not go far enough to prove that the ordinary farmer would find it advantageous to curtail production because the manufacturer does. The manufacturer pays out a great proportion of his gross receipts for labor, materials and other running expenses. ... These figures show that it is necessary for an industrial company to keep its product moving in a steady stream to market in order that it may have the funds to meet its expenses. ... The situation of the average farmer is quite different, because so large a part of the outlay in making a crop consists of the labor of himself and family. How much will he reduce his expenses for the year by curtailing the acreage of his crops? He may figure, reckoning his own labor at going wage-rates, that he will lose money on his year's operations but unless he has something else he can turn his labor to, he will lose more by being idle. He has his farm and machinery, and taxes, depreciation and living expenses will be about the same whether he makes a crop or not."

Wheat Marketing

The formation of a gigantic wheat pool embracing the producers of Australia, the United States and Canada, is the object of Sonak Trethowan, president of the Australian Farmers' Federation, who is now in London on his way to the United States. His first step will be to aid in the establishment of a marketing system in the United States. In Australia there are already voluntary pools in two States -- South Australia and New South Wales -- managed by farmers. Victoria has a voluntary pool under the law and west Australia has a compulsory legal pool. These pools, Trethowan says, represent now 80 per cent of the Australian production. (London cable to Phila. Ledger, May 2.)

Wool Marketing

The Shoshone, Idaho, wool clip has been sold by a pool headed by Senator Frank R. Gooding and his brother, Frank W. Gooding, at an average price of 30 cents a pound, to the B.Harris Wool Company of St. Louis and Salt Lake City, it was announced May 1. The clip consisted of 1,000,000 pounds. The prices paid are more than 100 per cent higher than last year it was stated. (N.Y. Times, May 2.)

Section 3.

Department of Agriculture

1. "Live-stock commission men and farm leaders everywhere are watching developments in St. Louis, where Secretary Wallace is trying to break up the so-called boycott of the cooperative companies at the National Stock Yards. The situation is perfectly natural. The old line trading firms could not be expected to boost the farmer organizations. On the contrary they will fight to keep their own business and oust the newcomers. The commission men as a rule are good fellows, they know their game, and they are well entrenched. The cooperatives will have to fight for their lives, and victory will not come easily." (Farm Life, May.)

2. The Federal Department of the Interior is bucking up against a solid wall of farm public opinion in its continued fight to wrest control of the national forests from the Federal Department of Agriculture. The forests should continue to be handled on a permanent productive basis, the same as any other crop-producing land, and is now being done by the Forest Service. A change in the policy of

administration to that of a real estate basis, as would be the case under the Department of the Interior, is a serious prospect that calls upon every friend of the forests to stand up and fight. The handling of the national forests may not be all that can be desired, but since 1905 when the Department of Agriculture assumed control, the forests have been handled conservatively and wisely for the most part and very generally in the interests of the public. Before that time the Government forests were controlled by the Department of the Interior, and many a case of public land dissipation marks the abuse of the forests under that administration. ... Practically every group of organized farmers which has gone into the matter is firm in its demand that the Forest Service be let alone. The nigger in the wood pile appears to be the use to which the Department of the Interior might put the Alaska forests, with ultimate exploitation of those great forest reserves for commercial interests. ... "
(American Agriculturist, Apr. 22.)

Section 4.
MARKET QUOTATIONS.

Farm Products

May 2: July wheat held close to Monday's prices, but there was persistent buying of May wheat, encouraged by small deliveries, strength in outside markets, smaller receipts and forecast of return of unsettled weather. Chicago July wheat closed higher at $1.28 1/2; Chicago July corn higher at 65 5/8. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.44; No. 2 hard winter wheat $1.45; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.43 1/2; No. 2 hard winter wheat in Kansas $1.23.

Chicago hog prices 15¢ to 25¢ lower, bulk of sales $9.90 to $10.45. Beef steers steady to 10¢ higher; medium and good grades $7.50 to $8.75. Butcher cows and heifers steady to 10¢ higher at $4.75 to $8.60. Fat lambs $12.00 to $14.85.

Potato markets generally steady to strong. Florida potatoes $6.50 to $7.00 per bbl. Prices firm at Minnesota and Michigan shipping points. Carolina strawberries generally steady at 23¢ to 33¢ per qt. Virginia strawberries 20¢ to 28¢ per quart in Baltimore and Boston. Best Carolina lettuce $2.50 to $3.50 per hamper.

Spot cotton up 77 points, closing at 18.08¢ per lb. New York May futures up 94 points at 19.63¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 2	May 1	May 2, 1921
20 Industrials	93.64	93.35	79.23
20 R.R. stocks	84.34	84.45	71.68

(Wall St. Jour., May 3.)

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Vol. V, no. 29. Section 1. May 4, 1922.

Reorganization

"The plan for reorganization of the Government departments will be considered at a conference at the White House to-day between President Harding, Walter F. Brown, chairman, and members of the Joint Congressional Committee on Reorganization. The conference will consider the tentative report on this subject, ... and will go over not only that part of the report on which the Cabinet is agreed but other sections on which the administration officials are as yet divided. The three departments on which agreement has not yet been reached are said to be Interior, Agriculture and Commerce. The tentative report, as submitted by Mr. Brown, it is understood, provides for the transfer of the "Forest Service" from the Agriculture to the Interior Department. The report, it is also understood, provides for the shifting of various bureaus from one department to another." (N.Y.Times, May 4.)

Agricultural Appropriation Bill

The Senate May 3 adopted the conference report on the Agricultual Appropriation bill, carrying a total of $36,774,000, and sent the measure to the President. (Press, May 4.)

Tariff Legislation

Charges that the Roessler Haslacher Chemical Company, of New York, a former German-owned concern, made 'unconscionable' profits during the World War were made May 3 in the Senate by Senator Smoot, in a general cross fire of debate as to whether the company should be given a tariff protection of 10 per cent ad valorem on its production of cyanide. Both he and Chairman McCumber, of the Finance Committee, conceded that the company had a monopoly of the production of cyanide in the United States and was the sole agent of the German cyanide cartel, but they argued for the duty on the ground that without it the industry in this country would be destroyed and Germany and Canada would control the American market. (Assoc. Press, May 4.)

Senator Broussard made an appeal for a higher rate on rice than that reported from the Committee. (Cong. Rec., May 3.)

Longer Term Financing for Farmers Urged in Congress

American financial conceptions need revision to provide longer term financing for agriculture, Eugene Meyer, jr., Managing Director of the War Finance Corporation, said May 3 before th House Banking and Currency Committee, conducting hearings on agricultural relief. "Our financial attitudes are based on English and continental conceptions of soundness," said Mr.Meyer "The basic business of America is production and distribution of agricultural commodities, and sixty or ninety day financing does not meet the needs. I maintain that six and nine months' loans on wheat and cotton are as liquid as ninety-day paper representing advances to merchants and manufacturers." (Press, May 4.)

Agricultural Conditions

Agricultural conditions, as reported by various current bulletins of the Federal Reserve banks, are, in part, as follows: Fifth Federal Reserve district (Richmond) -- "The fertilizer problem is worrying the farmers, and comparatively little has yet been bought. Many farmers have debts unpaid from previous seasons, and therefore are unable to arrange to pay cash for fertilizer this year but the fertilizer dealers are charging from $10 to $12 per ton more for goods sold on credit than when sold for cash, and in addition are requiring adequate security on the notes. In many cases farmers will be compelled to either reduce acreage or inadequately fertilize their crops. Until the crops are actually planted, however, it will be impossible to say how much fertilizer will be used, because there may be a rush of buying at the last minute. There is a very active cooperative selling movement among the cotton farmers of the district, and every effort is being made to persuade growers to sign contracts to sell through the Association for five years. Numerous banks are advertising their indorsement of the plan, and the press is almost solidly backing the movement. Perhaps more significant still, many farmers are signing the contracts, and thousands of bales have been pledged to the pool." Seventh district (Chicago) -- "Efforts to reestablish dairy herds in some localities have called for increased credit accommodations for that purpose in sections where these herds were reduced during the war, to comply with the insistent demand for increased grain production and because of the greater profit on grain at war prices. With changed conditions, some lands are being converted into pasture. From some sections of this district there is reported a marked falling off in the inquiry during March for funds for first mortgages on farm lands. Loans made to member banks by the Federal Reserve Bank of Chicago during the first weeks of April showed a downward tendency, similar to that which took place during the first part of March of this year. ... Continued falling off in advances approved for States in this Federal Reserve district by the War Finance Corporation was in evidence during March and the first part of April. This is especially noticeable in Iowa, where the advances since March 11 have averaged less than $200,000 a week, compared with an average of more than $750,000 for the ten preceding weeks. Advances in the other states also were small, although Illinois and Wisconsin each had weeks in March and April which showed comparatively large amounts." Eighth district (St. Louis) -- "The movement of cereals and other farm products to market during March showed a heavy slump as compared with February and March, 1921. Receipts of corn at St. Louis, for example, were 4,113,000 bushels in February, and only 2,210,000 bushels in March. The decreased movement was due in part to lower prices, but impassable roads accounted for the main portion of the decrease. Prices of leading farm products in the St. Louis market, which declined sharply during the latter part of March, recovered much of the loss in early April. The July and September wheat options moved to new high prices on the crop, and there was an appreciable recovery in cash wheat. Corn and oats moved upward, and the month was marked by satisfactory prices for cattle, hogs and sheep." Tenth district (Kansas City) -- "Continued easing of the financial situation is indicated by the late reports from banks throughout the Tenth district. The steady liquidations and readjustments covering a period of several months, and the more recent improvement in conditions affecting agriculture and live stock, are

recognized as chief factors in bringing about this changed situation; though it is quite evident that adherence to rigid economy programs, buying little and borrowing little, have also helped. The reports show a plentiful supply of money in banks for which there is no extraordinary demand, even at low interest and discount rates. Advances to agriculture, which were heavy a month to six weeks ago, are reported as falling off, but there is still a considerable demand for financing live-stock operations. Readjustments in commercial and industrial lines have progressed to a point where, with the season of activity now at hand, their demands for credit are no more than normal for this time of the year. Withdrawals of deposits for seasonal activity are reported." Twelfth district (San Francisco) -- Agriculturally there have been few new developments during the month ... Prices of agricultural products, while they have not continued the steady gains which characterized their movement in the first two months of the year, have fluctuated at levels appreciably higher than those of January 1st."

Farmer on Reserve Board

The Pacific Rural Press for April 22 says: "A visiting member of the Federal Reserve Board, in an address in San Francisco last week, is reported to have said this: 'The proposition of putting a farmer on the board is political, and if the scheme is carried out trouble will follow, as there is no room for politics in the banking system.' We are rather surprised that a member of the exalted group of office-holders who regulate the financial system of the United States should have been so indiscreet as to say such a thing. It is not usual for men skilled in policy to make such a slip. ... So we seem to be warranted in believing that, from the high financial view, getting a representative of agriculture on the Federal Reserve Board is only politics. Perhaps the distinguished speaker forgot for the moment that the law, under which he serves, provides that the President in selecting the five appointive members of the Board 'shall have due regard to a fair representation of the different commercial, industrial and geographic divisions of the country.' If he did not forget that the law provides for representation of vocational as well as geographical divisions of the country, we are forced to the conclusion that, in his view, representation of the trading and the manufacturing interests and points of view is statesmanship, but representation of agricultural industry and geography is politics; and that there is nothing but politics behind the proposition which is now before Congress amending the law and inserting the word 'agricultural' in its proper place just before the word 'commercial' -- in the instruction about the way in which the President shall bestow his regard."

Farming for Easterners

The Spur for May 1 contains an editorial on the subject of practical farming for easterners, which states that certain sections of the East offer an opportunity to which more young men should give attention. The editorial states that the advantage of cattle breeding and practical farming in the oldest and most densely inhabited section of the country are manifold. It is not merely a matter of production and sale; it is also an immense opportunity for experimentation. It says: "The practical farmer of the West, as a rule, has neither time nor inclination for anything beyond the barest commercial aspects of his business. ... It is the easterner who posseses the advantage, and especially the eastern young man of means."

International Financing

Frank Vanderlip cabled from Genoa to the press for May 2: "There are three fields which lie open to American financial statesmanship in Europe. One is the reparations committee, of which J.P. Morgan is a member, meeting in Paris May 8. Second is the coming London meeting of representatives of central banks, which the Bank of England will call in compliance with the finance resolution of the Genoa conference. Third is understanding and action respecting the relation between unemployment in Europe and the currency situation by which America may contribute something valuable to every working man in Europe, thus helping American working men, too.'

Russian Seed Grain

An Associated Press dispatch from Moscow to the press of May 3 states that about 65 per cent of the seed grain that was sent into Russian famine areas was distributed in time to be sown, the Central Famine Committee anounced May 2. More than 80 per cent of the 23,000,000 poods (about 828,000,000 pounds) of grain from Russian sources arrived in time, while only 22 per cent of the 8,500,000 poods from abroad arrived. In some districts 100 per cent of the amount needed was supplied.

U.S.G.G. Membership

"Increases in membership reported last week from Indiana, Missouri, Iowa and Nebraska totaled 712, advancing the national total to 58,253. Three elevator contracts in Nebraska were reported. Farmers' elevators and Grain Growers' associations to the number of 1,174 are now affiliated with the U.S.Grain Growers,Inc." (U.S.G.G., Inc., press statement, May 1.)

Wool

1. "A note of optimism regarding the wool situation was sounded a few days ago by Matt Staff, president of the National Wool Warehouse and Storage company, when he predicted that Montana growers will receive in the neighborhood of forty cents a pound for their product this year and that there is more than a possibility that Montana wools may bring a premium on the Boston market this fall that will put the price closer to fifty cents. ... Mr. Staff points out the fact that we ordinarily carry from 300,000,000 to 350,000,000 pounds of wool in the United States on the first of the year. On January 1,1922, reports showed 350,000,000 pounds on hand while the coming crop is estimated at only 250,000,000 pounds, making a total of 600,000,000 pounds of domestic wool for the year's consumption. Annual wool consumption in this country amounts to about 600,000,000 pounds and consequently on the first of next year there should be no wool on hand except that which has been imported. As a matter of fact, an abnormal consumption of wool may be expected this year because, as their buying power is restored, the people of this country are going to replenish their wardrobes which have become much depleted under the enforced economy of the past year or so. In addition to the increased domestic demand for wool, the woolgrower will undoubtedly receive considerable protection from the tariff bill that is now before the Senate." (Montana Farmer,May 1)

2. Increased interest in the wool market is manifested in a broader inquiry for all grades. Fine wool is scarcer, inadequate stocks have been further depleted. There has been some trading among dealers, particularly in scoured, pulled and coarse foreign wools.(Press, May 1.)

Department of Agriculture

1. The Journal of Commerce for May 3 says in an editorial: "To those who have followed recent trends in anti-trust legislation and in judicial thinking on that subject the recent decision of the Supreme Court in regard to the so-called Packers' Act will hardly come as a surprise. If serveral clauses of the Federal Trade Commission law are in accord with the Constitution there can hardly be any ground for supposing that Congress has not the authority to vest in the Secretary of Agriculture the power to regulate the operations of the stockyards as far as the restraint of trade or 'unfair' practice aspects are concerned -- assuming, of course, that the activity of these concerns is a part of interstate trade. In view of the Supreme Court's decision some years ago in the so-called Swift case, it could hardly be expected that the stockyards would be adjudged as purely intrastate in their activity. A similar inference is to be drawn from the decision some time ago relative to the authority of the Interstate Commerce Commission over what had hitherto been looked upon as purely intrastate rates. As far as this newly formulated interstate commerce philosophy is concerned there is nothing to complain of. Certainly in the case of the railroads the decision was in accord with sound principle and as unquestionably the stockyards 'conduct a business affected by a public use of a national character.' No doubt 'transactions which occur therein are only incident to' the current of trade which flows 'from West to East and from one state to another.' If the stockyards or the packing industry must be 'regulated' it is no doubt best, as well as legal, to have such control undertaken by the Federal authority.

As to the wisdom of much of the anti-trust and regulatory legislation of recent years there is ample room for the utmost doubt, and a good deal of well justified regret has been felt by farseeing students of such questions over the support that some of it has received from the Supreme Court. Entirely too much has been left to the administrators of sundry acts -- an authority be no means always wisely used, as might have been and no doubt was foreseen by many. The Federal Trade Commission Act is a case in point, and beyond all question the so-called Packers' Act is another. Both have come dangerously near to vesting legislative functions in commissions or officials. The Packers' Act is even worse in this respect than the Federal Trade Commission Act. In the latter case administration of the general terms of the law is entrusted to a presumably independent nonpolitical body whose personnel is relatively fixed, and therefore whose general policy should be relatively consistent from year to year. Not even such theoretical assurance is to be had in the case of the former. Here broad powers of control and regulation are vested in the Secretary of Agriculture, an appointee of the President and whose tenure of office at best is limited to four or possibly eight years. It is, of course, a fact of common observation that policies of successive Presidential administrations vary, determined as they are by political considerations. Nothing is clearer than that we have a great deal yet to learn about the art of 'controlling the trusts.' "

2. The Montana Farmer for May 1 says in an editorial upon the result of Secretary Wallace's complaint against the St. Louis Live-stock Exchange: "The first formal complaint filed by the Secretary of Agriculture under the Packers and Stockyards Act has resulted in a complete victory for cooperative live-stock marketing. ... Another

cause for complaint against the commission men lies in their maintenanace of war-time handling charges in spite of the general slump in price for live stock. The desirability of an investigation of this condition by the Secretary of Agriculture with a view to establishing a more equitable rate of commission charges was emphasized in a resolution adopted by the members of the Montana Stockgrowers' Association at their recent convention."

Section 4.

MEETINGS, HEARINGS AND VISITORS.

S. Sorrensen, agricultural adviser to the Danish Government, attached to the Danish Legation at Washington, will address the Tuesday conference of the States Relations Service on department extension work, on May 9, at 11 o'clock. Mr. Sorrensen will talk on extension work in Denmark.

Section 5.

MARKET QUOTATIONS.

Farm Products

May 3: Chicago wheat prices averaged higher with May in lead. Early strength in May credited to short covering for leading interest, and at one time prices were 17¢ over July. Chicago July wheat higher at $1.28 5/8; Chicago July corn higher at 66 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.45; No. 2 hard winter wheat $1.45; No. 2 mixed corn 63¢; No. 2 yellow corn 64¢; No. 3 white oats 39 1/2¢. Average farm prices: No. 2 mixed corn in central Iowa about 50¢; No. 1 dark northern wheat in central North Dakota $1.45; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog prices steady, bulk of sales $9.85 to $10.45. Beef steers active, steady to 15¢ lower; medium and good grades $7.50 to $8.75. Butcher cows and heifers steady to weak at $4.75 to $8.60. Fat lambs steady to 25¢ higher at $12.00 to $15.00.

North central potato shipping points steady; most city markets steady. Norfolk strawberries 20¢ to 25¢ per qt. in Boston, Baltimore and Philadelphia; 28¢ to 30¢ in New York. Texas yellow onions fairly steady in northern markets at $2.50 to $2.75 per crate. Eastern butter markets broke sharply and prices are now 2¢ to 2 1/2¢ lower than a week ago. Principal market factors are the increasing seasonal supply which exceeds current demand and the lower prices on the goods put in storage. Prices on fresh cheese slightly higher; old stocks fairly well cleared. Hay receipts generally light; better grades in good demand at practically all markets. Wheat mill feed market quiet; demand very limited.

Spot cotton up 13 points closing at 18.21¢ per lb. New York May futures up 11 points at 19.74¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 3	May 2	May 3, 1921
20 Industrials	93.81	93.64	79.61
20 R.R. stocks	84.44	84.34	72.51

(Wall St. Jour., May 4.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 30. Section 1. May 5, 1922.

Government Reorganization

The Washington Post to-day says, in regard to the report of the Congressional Joint Commission of Reorganization of Government Departments and Bureaus, considered at the White House conference May 4: "Although no details were announced as to progress made at the conclusion of the conference, it was said that 'but a few questions remained to be smoothed out,' and Senator Smoot, a member of the commission, said he had no doubt that by the middle of the month a report would be ready for submission to a congressional committee. It was the intention, he added, to introduce a bill covering the proposed changes and have it passed before the end of the present session of Congress. Consolidation of the War and Navy Departments into one department of national defense and the creation of a department of public welfare are understood to be included in the plan as formulated by Mr. Brown. Transfer of the Forest Service from the Department of Agriculture to the Interior Department is also said to have been suggested, although it is understood the cabinet has not contemplated such a rearrangement with unanimity."

Soldier Bonus Legislation

Chairman McCumber, of the Senate Finance Committee, was formally authorized by the majority members May 4 to present his soldier bonus plan with the bank loan provision to President Harding as the committee plan. (Press, May 5.)

War Finance Corporation Legislation

The House Committee on Banking and Currency May 4 ordered a favorable report on the bill recently passed extending the activities of the War Finance Corporation for one year from June 30 next, although amending it to include several recommendations recently made by the corporation. (Press, May 5.)

European Financing

"Governors of the twelve Federal Reserve districts completed yesterday their annual conference with the members of the Federal Reserve Board. ... Participation by Governor Strong, of New York, at the proposed international conference of banks of issue at London was not discussed at the meeting, it was stated authoritatively, because no formal invitation has as yet been received for the attendance of representatives of the Federal Reserve system at the conference. The board, however, was understood to have ... formed the opinion that activities of Federal Reserve representatives should be confined to discussion of proposals with the representatives of the foreign banks without entering into any consortium or agreements for effecting the rehabilitation of Europe." (Wash. Post, May 5.)

Section 2.

Agriculture and the Railroads

The Wall Street Journal for May 4 says in an editorial upon the section of the report of the Congressional Joint Commission of Agricultural Inquiry dealing with the railroads: "Probably nothing so encouraging to railroad owners as that section of the report of the Joint Commission of Agricultural Inquiry dealing with the relation between farming and transportation, has happened during the whole postwar transition. That a body, including Senators Lenroot of Wisconsin and Capper of Kansas, to mention only two of its members should have dealt with the difficulties of the railroads with both sympathy and intelligence is a fact of the highest significance at just this juncture of the country's slow recovery from agricultural and industrial prostration. By its own inquiry and reasoning, the commission has arrived at substantially the same conclusions regarding a wise national railroad policy that the soundest thinkers among railroad executives have repeatedly expressed. The railroads should be genuinely self-sustaining. They should no longer be subtly undermined by Government loans. They can not safely be forced to raise their additional capital requirements exclusively through bond issues. Though engaged in a public service, and therefore properly subject to enlightened regulation, their management should remain a private enterprise because it is essentially a business enterprise, which in the nature of things no Government is fitted to conduct. About the only part of the report that is fairly open to criticism is the commission's apparent belief that 'a comprehensive plan for central control and distribution of freight cars' will in and of itself effect any substantial reduction of empty car mileage. Railroads haul freight cars empty because certain movements of traffic must be performed at fixed times, for which no balancing movement in the opposite direction can be found. A freight-car pool might conceivably reduce, or eliminate, that part of empty-car movement which has no other object than the return of foreign cars to owner lines in times of depression to save per diem charges. But the pool would still find itself the owner of cars standing idle and earning nothing against interest charges and depreciation. The commission further declares that the railroads should be adequately equipped to meet every demand for cars and their movement, at all times and under all conditions. That is fair enough, provided the carriers are to be allowed sufficient average earnings to cover the overhead expense of providing themselves with cars and locomotives which can not be constantly employed. Little or nothing may be expected of standardization of equipment or centralized control of car supply as measures of economy. Ample experience has proved how inevitably a high degree of centralization, in such a national service as transportation, makes for waste and paralyzing inertia. In a sense, these are matters of detail. This commission has at least not made the common initial assumption of political bodies that the railroads are all wrong and must be starved into righteousness. If the Senate leader of the farm bloc is in full accord with the more significant findings of his colleagues, it may safely be reaffirmed that the world does move."

Agriculture Financing

The War Finance Corporation May 3 approved 82 advances for agricultural and live-stock purposes, aggregating $1,765,000. (W.F.C. press statement, May 4.)

Cooperation in the South

"In citing the value of organization and greater diversification of crops in the cotton belt of the South affected by the ravages of the boll weevil, the Augusta Chronicle gives an account of what has been accomplished in truck farming in the Beaufort, S.C., section With the advent of the boll weevil and the practical destruction of the long staple cotton crops, the Chronicle states that the Beaufort Truck Growers Association was organized several years ago and has had a magnificent success. It is said that Beaufort County will market $3,500,000 worth of produce this year. The lettuce crop will amount to 800 cars and will average about $1,000 per car f.o.b. shipping point, or a total of $800,000. It is estimated that the Irish potatoes will bring $1,000,000 while cabbages, tomatoes, beans, peas and other crops will bring the grand total up to $2,500,000. Other communities in the South are also making progress along similar lines. From Griffin, Ga., the county seat of Spalding County, one of the great cotton producing regions of middle Georgia, there has been recently shipped out for the first time, chickens, hogs and sweet potatoes in car lots, all brought about through organized community effort. The Board of Trade at Griffin has been doing yeoman service in preaching cooperation and crop diversification, and its past missionary work is now bearing fruit. The Chronicle states that the opportunities for the successful marketing of tomatoes, onions, beans and many other crops is splendid and Augusta and vicinity have the soil and climate for their production, if the people would get together and work to this end. And this might be said of most of the territory of the South which has had its cotton production so drastically curtailed by the boll weevil." (Manuf. Record, May 4.)

Cooperative Marketing

"What Farmer Cooperation Promises the Consumer" is the title of an article in The Nation for May 3, which says in part: "The progress of cooperative marketing in the last two years has been greater than the progress made in any ten years preceding. More important still, the men who are cooperating regard the progress thus far as a mere beginning. They have the vision of an agriculture so thoroughly organized on a commodity basis that the bulk of every important farm product will be disposed of through the marketing machinery set up by the farmers themselves. The growing number, size, and strength of these organizations make them a matter of no small concern to the consumer of farm products. Recent legislation has freed these cooperatives from any restriction anti-trust laws might have imposed. ... Let us grant that the cooperative marketing association is not a philanthropic organization, that it exists to get more money for its members, that in most cases it hopes to do this by securing for them better prices for their products. The cooperator admits this, but he does not admit that raising prices is the sole purpose of cooperation, or that any increase in the farmer's return for his labor of production must necessarily be taken out of the consumer's pocket. He asserts instead that the development of cooperative marketing is going to be of real benefit to the consumer as well as to the producer. Here are some of the reasons he advances for this claim. Of the average dollar which the American consumer pays for the products of the American farm the farmer gets, according to the latest figures, something less than 40 cents. Before the war it was estimated that he got about 45 cents. At the same time the Danish farmer was shipping his surplus mainly to England and

getting about 65 cents out of the British consumer's dollar. Not only is the 'spread' between the producer's pay and the consumer's outlay excessively wide in this country, but it is steadily increasing. Marketing expenses and marketing margins are going up, so reducing the farmer's returns at one end and demanding more of the consumer at the other end of the line. Farmers feel that it is possible to reduce this spread, to simplify marketing processes, to lower marketing costs. If the first one or two of the three to five 'middlemen' who handle most farm products can be made agents of the producers, interested in moving on the goods at the lowest expense and with the fewest added charges, instead of being, as now, dealers interested in getting just as much as possible out of their handling of the goods, there certainly seems to be some possibility of reducing the marketing spread."

European Financial Situation

Referring to Sir George Paish's recent statement on the financial situation in Europe, A.R. Marsh says in The Economic World for April 29: "It is undeniably both a very terrible and a deeply appealing picture which Sir George Paish draws in these paragraphs of a Europe composed of nations whose productive power, with but one or two exceptions, was so shattered by the war that they have little to sell and hence can buy little, while at the same time they have exhausted or lost the credit through which otherwise they might procure the means to restore their productive power and so their ability to buy what they need for the maintenance of a decent and civilized existence. ... Upon its face, we say, the argument is unanswerable; but the fact should be stated that those of us who have been spending our days and nights since the war in studying all available statistics of European industry and trade are likely to feel some doubt about the entire accuracy of certain of the premises upon which the argument rests. One of these premises necessarily is that in those European countries that lack credit and the assistance to production that credit would give, there is in evidence a progressive decline in production, a growing curtailment of buying power and the increasing economic impoverishment that is the prelude to the exteinction with which the peoples affected are threatened. If the available statistics do not lie, however, the very reverse of all this is what is actually happening. The truth is that the countries in Europe that have enjoyed the least credit from without, like Germany, Poland, Czechoslovakia and Austria, are those in which industrial production and trade have made the greatest gains during the past two years; while in the country which has enjoyed the best credit of all, Great Britain herself, production and trade have most declined during this period. Indeed, the lesson of the statistics is that there is still much truth in the old rule that self-help is the best help to be had."

Foreign Trade

American exports to Europe fell off approximately $20,000,000 during March as compared with the same month a year ago, while imports from Europe increased by about $10,000,000, and both exports to and imports from South America decreased by about $10,000,000 each, according to foreign trade reports issued by the Department of Commerce. During March exports to Europe aggregated $180,000,000, compared with $199,000,000 in March a year ago, while imports from Europe aggregated $86,000,000, against $77,000,000 in March 1921. (From the report.)

Land Reclamation

The Farmer (St.Paul) for April 29 says in an editorial: "Plans for giving Federal aid to land reclamation in the states which have undeveloped agricultural lands have been considered at various meetings held in Wisconsin, Minnesota and Michigan during the past few weeks. A Cut-Over Land Reclamation Association was formed in Wisconsin within the past month, and held two meetings for the purpose of enlisting the help of the citizens of the Great Lakes States in demanding recognition for the cut-over sections in any Federal plan for land reclamation that may be adopted. We understand that this newly formed association proposes to act in close cooperation with the Tri-State Development Congress, which includes in its membership most of the development organizations of the three States. The reason for paying particular attention to land reclamation at this time is found in the fact that many signs indicate that the Government may be asked in the near future to again take up land-reclamation work on a large scale. ... According to A.D.Campbell, of Wisconsin, an authority on development work, the United States Government has expended to date over $160,000,000 in putting water on public and privately owned land, about two-thirds of this sum being spent on private lands. It has spent many more millions indirectly, according to Mr. Campbell; and after all this expense and effort during a period of twenty years, only 1,254,569 acres of this reclaimed land were farmed in 1919. The comparative failure of this reclamation work in putting large numbers of people on the land is well known, excessive cost being the chief reason for such failure. The cut-over regions have received none of this aid, yet these regions contain the largest area of undeveloped yet dependable land, immediately adjacent to markets, to be found in the United States. The reclamation of a large percentage of cut-over land is entirely practical and easily possible with proper financing. ... It goes without saying that the development of semi-arid or cut-over land, or any other type of undeveloped land, can be accomplished most economically through the use of private funds and under private supervision, rather than through the use of Government money and Government supervision. This does not mean, however, that the Government can not profitably lend its support to development projects, just as any developing industries are now aided by the tariff or by subsidies of one sort or another, In our opinion the greatest aid that could be given to development projects would be such aid as will enable these private development agencies to secure adequate credit."

Russia

Sir George Paish, British economist, says in an article to the Washington Post of May 4: "The Russian problem is essentially different to the problem of reconstructing the other nations of Europe. Potentially Russia is one of the richest countries in the world, and if the right course is now taken it shall in the not distant future rank among the wealthiest and most prosperous nations. The other nations of Europe, in which the problem of reconstruction is so urgent, have no possible expansion of their production, and their income is distinctly limited; and great care must be exercised in order not to overburden them with debt, especially foreign debt. All Russia needs for recovery is a good, honest Government, with a sound policy, and friendly bankers, such as the United States have enjoyed. "

Section 4.

MEETINGS, HEARINGS AND VISITORS.

The list, recently issued, of those invited to attend the two-day conference of representatives of purebred dairy cattle associations, called by C.W. Larsen, chief of the Dairy Division, for to-day and tomorrow, has been augmented by the following: R.M.Gow, of New York, secretary of the American Jersey Cattle Club; O.H.Baker, in charge of the records of the American Jersey Cattle Club, and L.E.Hull, of Painesville, Ohio, vice president of the Brown Swiss Cattle Breeders Association. These visitors to the department may be reached through Dr. Larsen's office.

Section 5.

MARKET QUOTATIONS.

Farm Products

May 4: Chicago wheat market at heavy undertone account selling by most active traders. Small export business and weakness in Liverpool were principal bearish factors. Chicago July wheat lower at $1.27 1/8; Chicago July corn lower at 66¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.43; No. 2 hard winter wheat $1.43; No. 2 mixed corn 63¢; No. 2 yellow corn 64¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Iowa about 50¢; No. 1 dark northern wheat in central North Dakota $1.44.

Chicago hog prices up 10¢, bulk of sales $10.00 to $10.60. Medium and good beef steers steady at $7.65 to $8.75. Butcher cows and heifers steady at $4.75 to $8.50. Fat lambs steady at $12.00 to $15.00.

Potato markets slightly weaker for old and new stock. Prices at Michigan and Minnesota shipping points $1.70 to $1.80. Florida potatoes $4.75 per bbl. at shipping points; $6.00 to $7.00 in city markets. Texas yellow onions firm at $2.50 to $3.00 per crate. Carolina strawberries 35¢ to 40¢ in Boston. Hay receipts generally light; better grades in good demand; prices steady. Wheat mill feed market quiet with limited demand. High protein and corn feeds firm, with prices holding steady under light demand. Butter markets steady, although lower prices are expected as the supply for storage increases, Cheese markets holding steady; new cheese in good demand.

Spot cotton down 15 points closing at 18.06¢ per lb. New York May futures down 24 points, closing at 19.50¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 4	May 3	May 4, 1921
20 Industrials	93.18	93.81	80.03
20 R.R. stocks	84.40	84.44	73.99

(Wall St. Jour., May 5.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 31. Section 1. May 6, 1922.

Administration Receipts and Expenditures

The Washington Post to-day says: "With three-quarters of the current fiscal year now a matter of history, the Government has lived within its income by a margin of $610,000,000, it was disclosed yesterday in an official Treasury Department statement. This margin represents the difference between ordinary receipts and expenditures. The Government, furthermore, had a net balance in cash amounting to more than $372,000,000 over and above the margin which was on the basis of balance at the close of business April 30. For the period ordinary receipts totaled in round numbers $3,430,000,000. Expenditures amounted to $2,820,000,000."

Business Conditions

General strengthening of the economic machinery of the Nation was reported to Comptroller of the Currency Crissinger by the twelve chief national bank examiners representing the Federal Reserve districts of the country at their annual meeting in Washington. In the main, the examiners said, there had been a notable improvement in business conditions throughout the country together with restored confidence and a favorable outlook for the future. The belief was expressed, however, that progress toward normal conditions would be gradual and not an overnight accomplishment. (Assoc. Press, May 6.)

Muscle Shoals

Government retention of the nitrate and power projects at Muscle Shoals, Ala., rather than their lease or sale to private interests, was urged May 5 by J.H. Levering, a civil engineer of Los Angeles, Calif., in testifying before the Senate Committee on Agriculture and Forestry in support of Chairman Norris's bill proposing a Government-owned corporation for development of the Muscle Shoals territory. Mr. Levering said the committee should never accept a private offer until one had been drafted on a sound business basis. He expressed doubt that Henry Ford had a process that would reduce cost of manufacture of fertilizer one-half. The witness asserted it would be a "scandal" for Congress to accept the Engstrum proposition. (Press, May 6.)

Genoa Conference

A Reuter dispatch from Genoa to London states that M. Jasper, the Belgian Foreign Minister, will not maintain his opposition to the memorandum presented to Russia, which it is expected France and Belgium will accept as now framed. (Assoc. Press, May 6.)

"Premier Lloyd George wants to loan Russia something like $100,000,000 in return for Russia's unqualified acceptance of the 'memorandum' or 'ultimatum' presented to the Russian delegation at Genoa." (Phila. Ledger, May 6.)

Section 2.

Agricultural Conditions in Georgia

"Each of the four Central of Georgia agriculturists asked a dozen questions of twenty-five farmers at different points in their territories, trying to get an idea as to how they feel about present conditions, what their hopes are for the future, and what they are planning to do. The following is a summary of the replies: Of the hundred, forty-six felt optimistic about the future, twenty are about neutral, and thirty-four are pessimistic. Sixty-eight, however, are counting on better times this year, while thirty-two do not expect better times. Sixty-five expect to have more money at the end of this season than last year, while thirty-five do not. Sixty-five expect to make a cheaper crop than last year, and thirty-five will make as cheap a crop as last year. The lower cost of labor generally is the basis for this belief. Fifty-nine expect to use less fertilizer than last year, twelve about the same, and twenty-nine more fertilizer. Most of those who will use less fertilizer say that it is because they can not get as much as last year. Twenty-three are planning some radical changes in their farming program for this year, two will make slight changes, and seventy-five do not expect to make much change. ... " (Southern Cultivator, May 1.)

Cooperative Marketing

"Fruit growers of Ottawa County, Ohio, have voted down a merger of the various cooperative packing units in the peach district. This means that they will go ahead as in former years, each local association selling wherever it thinks the best market is, without reference to the other locals. In New York just such a policy was found decidedly in favor of the buyers who would play one local against another. This competition was eliminated by all the locals merging into a central association and selling as one unit. The fruit exchanges of the west Michigan fruit belt are merging into a central organization. This policy of cooperation of cooperative units has been the big development in farm organizations of recent years. As an example, the wool growers of Ohio would have been decidedly at the buyers' mercy had they formed only local pools instead of a centralized selling agency. In the long run Ohio peach growers would have been a big step ahead had they agreed to a sane, sensible, grower-controlled centralization of their cooperative interests. The decision to stand alone in their locals leaves this the only peach district in the United States virtually unorganized. Georgia is selling through a central organization. New York is selling many peaches the same way and is developing an organization as fast as possible, and Michigan is taking steps in the same direction. California growers of all kinds of fruits have been organized with a central selling agency so long and operating with such outstanding success as to be a model for cooperatives everywhere." (Ohio Farmer, May 6.)

Foreign Trade

The Wall Street Journal for May 5 says in an editorial: "International bankers and importers may not wish to see themselves as others see them (does anybody?), but there is no help for it. Senator Ladd, who hails from the State which has so greatly helped forty-seven others by showing them what not to do, has painted their picture. They have misled the farmers! In his speech he says: 'Farmers are no longer misled by the fiction of international bankers and importers that their prosperity depends upon the foreign market, which takes less than ten per cent of everything they produce.' This is uncommonly like twaddle. Any man capable of striking

a straight furrow ought to know that the price of a product depends upon the market for the surplus. Unless that can be sold, the price will drop. If the learned Senator will ask the chairman of the Joint Commission of Agricultural Inquiry he will find that some very valuable information on that subject is readily available. Wheat is the principal product of the Senator's State. Can he tell the farmers why it is that the price from week to week fluctuates as it does? Why is it that when foreign buying is evident the market advances, and drops back when that buying ceases? That has been the history of the wheat market since the Government minimum guarantee was removed. ... Is there in the whole northwest one single farmer whose seeding plans this spring are not based on the expectation that this year Europe will buy still more wheat from us?

"Last winter farmers burned corn because it was so cheap. Why didn't the domestic market save them from this, Senator? They are not doing it now. Has the change anything to do with the fact that never in history has Europe taken so much American corn as it is taking now? Have the exports of pork and lard anything to do with it? Is there no relation between the advance in farm prices and the fact that in March foodstuffs alone were 28 per cent of the exports? Ask the farmers of the corn belt what they would have done if in the last year of distress the foreign market had not taken 1,573,000,000 pounds of their hog products? Then go and ask the most illiterate negro farmer of the South the price he got for his cotton in a not distant period marked by scanty exports. ... "

Living Costs

The average cost of living in the United States decreased 4.2 per cent from December, 1921, to March, 1922, and 22.9 per cent from June, 1920, to last March, the Bureau of Labor Statistics of the Department of Labor, announced May 4. The level of prices in March, however, was 65.9 per cent higher than in 1913. Of four cities cited, Atlanta, Ga., reported the largest decline since June, 1920, with 22.4 per cent, and Birmingham, since December, 1921, with 4.5 per cent. Philadelphia's cost of living decreased 21.2 per cent in the twenty-one months' period and 3.5 per cent in the three months' period, while the statistics for San Francisco and Oakland showed declines of 19.6 per cent and 3.7 per cent, respectively in the two periods. In Philadelphia, the average of living costs in March was 68.2 per cent higher than in December, 1914, while in San Francisco and Oakland, the level was 57.5 higher than at the end of 1914. (From the report.)

Potash Tariff 1.

"It is said that representatives of agriculture in Congress have agreed to a tariff on potash in return for tariffs on certain farm products. If such a deal has been made agriculture is likely to get the worst of it in the end. When the five-year tariff on potash expires those who are interested in its production will make the plea that they can't compete with other countries which mine potash, that under protection they have been led to make investments, and that this country has no right to encourage investments and then destroy them. The sensible thing to do is to buy our potash and other fertilizer materials where they can be bought cheapest, and make no tariff deals that will interfere with such a course." (Nat'l Stockman and Farmer, May 6.)

Potash Tariff

2. Pennsylvania Farmer for May 6 says in an editorial: "By the way those who are interested in securing passage of the proposed tariff duty on potash are sending propaganda material to this office, it would seem they are not altogether sure that the schedule will be retained in the final bill. The letters, circulars and pamphlets sent out for publication by the American Potash Producers seem to be endeavoring to re-create the war-time prejudice that has existed against Germany and its products. ... There is no reason why the whole people should bear the burden of the cost of the endeavor. The proposed duty of $25.00 per ton on imported potash for this purpose is outrageous and crippling to agriculture and we hope Congress will realize the injustice of the proposition."

Production and Wages

"Secretary of Agriculture Wallace, in a speech in Baltimore recently, startled the League of Women Voters of that city by stating that not only should the cost of living not come down but should be further increased to benefit the greatest number of people. At the same time he stated that the cost of living could not come down until the wages of organized labor were further reduced. From our point of view the most uneconomic factor in the productive world today is the low production per man. If the present wages and the present standard of living are to continue, there must be a general speeding up of workers. More dishearterning even than the paying of the wages demanded is the small results obtained in a given time. Based upon prewar effort, the present costs of production are at least three times as much as formerly, partly due to the increase in wages and partly due to the lower production per man per day. The disinterested spirit which so many employees show in the work at hand is most disheartening to an employer who is earnestly striving to get back to normal production. It should be understood once and for all that industry can not stand both the increased wages and the increased time necessary to do a job because of slow work. If labor expects present wages to continue, there must be a decided speeding up and an increased personal interest in the work being done." (Pennsylvania Farmer, May 6.)

Wool

1. A cable dispatch from Buenos Aires to New York Daily Record of May 5 says: "Two local firms have just completed the first successful corner of Argentine wools in many years. Within the last three or four years they have cornered all the available fine crossbred merinos and merino first cross wools following the leaking of the information that French buyers had received orders for 2,000 bales of wools of these classifications. One firm has bought 4,500,000 pounds of wool since the first of the week paying 2,300,000 pesos for the lot and thus putting through the biggest single transaction in several years and one unrivaled even during the war boom. The other house holds 3,000,000 pounds of wool. It is estimated that there are fewer than 17,500,000 pounds of fine wools still in the country, and all of it in the mountainous region of southern Patagonia, where the recent snows prevent its shipment to market. About 25,000,000 pounds of medium and coarse wools are still unsold, but these are mostly inferior offerings."

2. Hallow Jones & Donald, of Boston, has bought the Jericho wools, aggregating nearly 1,000,000 pounds, for forty cents flat. (Boston dispatch to press, May 5.)

Section 3.

Department of Agriculture

"The Case of Quarantine 37" is the title of an editorial in The Florists' Exchange for April 29, which says in part: "First, what is this conference called for; what is it expected to accomplish? When, on February 14, the first announcement of the conference was made by the office of the Secretary of Agriculture, the American trade had made no appeal for a Federal Horticultural Board hearing; foreign trade representatives -- having received little if any satisfaction as a result of two 'hearings' held months before -- had not, apparently, swallowed their pride and asked for another chance to plead their case; nor, according to Secretary of Agriculture Wallace, on March 3, was the conference to be 'a public hearing preliminary to quarantine action.' The only explanation made by the Secretary in reply to specific inquiries was that the conference was 'to be simply a conference to enable this Department to secure additional and needed information on the subject covered, and to give an opportunity for full and free discussion.' The F.H.B., on its part, has disclaimed any program, 'drastic or otherwise, of changes in Reg. 3,' although in its first announcement of the conference then scheduled for March 15, it mentioned the purpose 'of considering the advisability of any modifications -- additions to or reductions from -- of the classes of plants' dealt with by that Regulation. These various statements can hardly be called in agreement, for where is any opportunity for 'full and free discussion' when the avowed object of one party -- the host, as it were -- is to secure from the other party information on which to base its future actions? And what point is there in a discussion at which one group desires to make and prove a case against the other group so long as the latter calls, presides over, and rules the discussion and formulates the conclusions thereof?

"Upon what basis and hope of consideration, then, is the trade, through the Tariff and Legislation Committee of the S.A.F. and, presumably, other organizations, preparing to participate? With what expectation of relief are the governments and trade organizations of foreign countries sending authorities thousands of miles to represent them? ... Are they being invited to present claims for more generous treatment with respect to plant importations, or are they coming voluntarily merely to supply the F.H.B. with more information? And when the conference opens will they be allowed to discuss the principle of plant exclusion as applied through Quarantine 37? Or will they be held to the consideration of the single, relatively restricted field of Reg.3? If the latter, what can they hope to accomplish? Secondly, who is actually going to preside over and control the conference? If it is to be the chairman of the F.H.B., a gentleman who has heretofore consistently repudiated all criticism of Qu. 37 and its administration, and refused to admit the slightest error, inconsistency or deficiancy in the board's rulings, what reason to hope now for any change of heart, belief or attitude? In this circumstance, assuming that those attending the conference are permitted to assume -- even for a time -- the role of complainant or prosecuting attorney, what court of justice would recognize a trial in which the lawyer for the defendant was placed on the bench with full power to rule over the arguments and render the verdict? For the two leading questions given above we

have no satisfactory answers, nor can we find any. Consequently, serious as we believe the present predicament of American horticulture to be, we have little faith or hope of any definite, constructive results from the May 15 conference -- unless Secretary Wallace or some mediator fully qualified and duly appointed by him and not connected with any bureau or board of the Department of Agriculture is to preside. ... "

Section 4.

MARKET QUOTATIONS.

Farm Products

May 5: Chicago wheat markets sluggish on lack of buying; more favorable weather, weakness abroad, and continued inaction in export demand. Chicago July wheat lower at $1.25; Chicago July corn lower at 65¢. Corn trade moderate and followed wheat. Closing prices in Chicago cash market: No. 2 red winter wheat $1.40; No. 2 hard winter wheat $1.40; No. 2 mixed corn 63¢; No. 2 yellow corn 63¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa about 49 1/2¢; No. 1 dark northern wheat in central North Dakota $1.62 3/4; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog prices firm to 10¢ higher, bulk of sales $10.10 to $10.65. Medium and good beef steers steady at $7.65 to $8.75. Butcher cows and heifers steady at $4.75 to $8.50. Fat lambs 25¢ to 50¢ lower at $12.00 to $14.90. Most city potato markets slightly weaker; prices down 5¢ to 15¢ at Maine and north central shipping points. Florida potatoes up 15¢ at $5.00 per bbl. f.o.b. Hastings; $6.00 to $7.00 in northern markets. Texas yellow onions generally steady at $2.50 to $2.75 per crate. Northern type sweet potatoes in New York $2.25 to $2.50 per bushel. Hay markets generally firm for better grades at steady prices. Prairie weaker at Minneapolis because of larger receipts from southwest. Good shipping demand for alfalfa at Chicago. Wheat feed market firm for early shipment, but deferred shipments made only at slight discounts. Middlings in better demand and prices show some advances. Butter markets steady but lower prices are expected. Stocks of fine butter well cleared. Cheese markets steady to firm at unchanged prices.

Spot cotton unchanged at 18.06¢ per lb. New York May futures up 5 points at 19.55¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 5	May 4	May 5, 1921
20 Industrials	93.18	93.18	79.68
20 R.R. stocks	84.68	84.40	74.11

(Wall St. Jour., May 6.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 32. Section 1. May 8, 1922.

Federal Expenditures — Government expenditures for 1922 will be approximately $1,600,000,000 less than the actual outlay for the preceding year, Congress will be informed to-day by President Harding, in transmitting the report of Director of the Budget Dawes on economies and savings in governmental business. The report of Director Dawes, made public May 7 by the White House, is for submission to the House Appropriations Committee in connection with a pending resolution by Representative Byrns of Tennessee, asking the President to inform the House in what ways direct savings of $32,000,000 and indirect savings of $104,000,000, as previously announced by the President to have been accomplished by the Budget Bureau during its first six months of operation, had been made. Actual cost of the routine business of Government, the President declared in his letter of transmission to Chairman Madden, has been reduced by $907,500,000, of which $250,000,000 may be accredited to more efficient and economic administration of the Government's business. (Press, May 8.)

Tariff Bill — Republican Leader Lodge announced May 6 that, beginning May 9, night sessions would be held to expedite consideration of the tariff bill. (Press, May 8.)

Tariff Legislation — That the aggregate burdens which the Fordney-McCumber tariff bill will impose upon the American people will probably exceed the burden placed upon them by the direct taxes, levied to meet the expenses incident to the great war, is the assertion of the Democratic minority of the Senate Committee on Finance. Their report, which was filed in the Senate May 6, further asserts that present prices of goods, however excessive or extortionate, will be maintained; that the high cost of living will be increased, and that American industries will become still more the property of trusts and monopolies if the tariff bill is enacted into law. (Press, May 7.)

Agricultural Credit — Senator Capper May 6 introduced a bill to provide credit facilities for the preservation and development of the livestock industry; to amend and stabilize the market for United States bonds and other securities; to extend the powers of the Farm Loan Board, and to provide fiscal agents for the United States and for the War Finance Corporation. (Cong. Rec., May 6.)

Muscle Shoals — Chairman Norris of the Senate Committee of Agriculture and Forestry May 6 announced his "firm conviction" that the Government should retain title to the properties for all time. (Press, May 7.)

Section 2.

Cooperative Marketing

"The Middleman" is the title of an editorial in The New England Farms for April 29, which says in part: "We do not believe that the total elimination of the independent middleman will ever be consummated, nor do we think it wise to attempt this total elimination. But there can be no question that the farmers or producers should continue to organize for the cooperative distribution of their products, and it is logical to believe that this organized effort will eventually displace a lot of independent middleman, and rightly so. ... The cooperation of the producer will, as it grows, drive these men into the productive class, and the only middleman who will stay will be the one who is logically necessary, and who fills a place in the general scheme which the producer's cooperative agency can not cover as efficiently. ... The future of the middleman is clear, we do not for a moment decry his position or his rights, but the plain truth is that his position is largely unnecessary under an ideal system of economic life, and that the time has not arrived yet when we can say that we have by any means reached that ideal system. We believe that the successful middleman is entitled to the fruits of his skill, toil and industry in his chosen field, but only so long as that field constitutes the most efficient and practical method of taking care of the distribution of the necessaries of life."

Crop Acreage Reduction

Farm, Stock and Home for May 1 says in an editorial: "The Country Gentleman ... is opposed to restricting corn acreage for 1922 and of course against the general idea of controlled production. It demolishes the advocates of such a course by asking: 'Did you ever make any money out of a crop you didn't raise?' The editor likes this phrase so well, has repeated it so often, that it has almost become a slogan with him. We might ask the Country Gentleman how much money he thinks middle West farmers made out of the oats and corn they did raise last year. Why not ask some of the agricultural implement manufacturers, with a lot of unsold machines on hand, if they made any money on those they did not make? ... A statement is true if it can be carried out to its full conclusion and its application made to all cases. Apply the question to manufacturing and what is the answer? That all manufacturers need to do to be successful and get rich is to run their factories at full capacity every day in the year, irrespective of demand, because they can not make any money on goods they do not make. Where is the slogan now? Until the fact begins to gradually seep into the heads of some of our agricultural writers that one set of economic laws applies equally to all production, that there is not one law for agricultural production and another for factory output, we must expect to get the Country Gentleman's brand of drivel handed out."

Crop Insurance

The Dairy Farmer for May 1 says in an editorial: "While we hope the Government will make a study of crop insurance in order to recommend rules and working tables for such a project, we do not favor its entry into the insurance business. ... In our estimation the move toward greater diversification of crops is the best form of insurance. The past years of low prices have demonstrated it."

Farm Lands Coming Back

Farmer and Breeder for May 1 says in an editorial: "To assert that farm land values will come back is almost like standing on a housetop and shouting that two and two make four. All we need is to study world conditions over a long period of years and apply the lessons of yesterday to the problems of to-day. ... With a return to normalcy -- that is, with human nature as it has always been, and with the law of supply and demand doing business at the old stand, why should farm lands not continue to rise in price as they did before the war? The point to the whole argument is that population continues to grow, but nobody seems to be making any new lands. In our own country no new soils remain to be exploited -- none, at least, that will be very desirable for years to come. Given a year or two of good prices for farm products, and you will see a strong demand for fertile farms where markets and social opportunities invite the progressive farmer. Now is the time to invest in farm lands; the chances are they never will be cheaper."

Foreign Trade

On a basis of a prewar comparison the foreign trade of the United States is nearer normal than that of the United Kingdom, France, or Germany -- our nearest competitors -- according to a statement made public to-day by the Secretary of Commerce. Even in times of depression the trade of America is higher than the prewar level, Mr. Hoover asserts. "There has been a distinct revival in trade from the low point during the past few months, and I am confident we have little reason to accept the pessimistic view of our foreign trade future taken by many students of the question," the statement says. "Our trade has shifted somewhat as to commodities, owing to the changed economic currents, due to the war, but when all is said and done the remarkable fact stands out that we have held on. ... It should be pointed out, in the first place, that in order to form a correct opinion of the volume of our foreign trade we must take a prewar year as a basis of comparison. The tremendous increase in our foreign trade during the war could not have taken place under normal conditions, and therefore should not be taken as a starting point in an estimate of our present situation. As a matter of fact, when we consider the diminished purchasing capacity of the civilized world, caused by the war, we are not sure whether we are even justified in adding to our prewar level the average prewar normal increase to cover the period since the outbreak of the war. While this reservation may seem superfluous, there is reason to believe that it has not been sufficiently emphasized in some of the popular discussions of our foreign trade." (Press Statement, May 8.)

International Financing

"The American problem is one of great difficulty, but unless a solution can be found, hope of the world's recovery must be abandoned. America is able to supply Europe with the greater part of the money she needs for restoration, and unless this is done she herself will be unable to sell the vast quantity of food and raw and manufactured material which she is capable of producing; indeed, she will be unable to sell even the reduced quantity she is now producing. As for Europe, her recovery is impossible unless America supplies the money; that is to say, the credit, and, by means of credit, the product Europe needs to borrow from her." (Genoa dispatch to Wash. Post, May 6.)

Radio Development

"A radio broadcasting service which will include market reports and other timely agricultural information has been planned by the Pennsylvania Department of Agriculture and the State police. This service will begin some time in May. It will offer great possibilities to the farmers of the State. This broadcasting station will be one of the most powerful in the United States and its wave length will be greater than any other so that it will not interfere with musical and speaking programs now being broadcasted. A special time will be selected each evening and this will be set aside for broadcasting agricultural information." (Pennsylvania Farmer, May 6)

Tariff Legislation

"As usual, dissatisfaction with the proposed tariff bill in Congress itself is as great as that outside. So far, we have not heard any unity of expression in approval from any class or party. The trouble seems to be that the tariff makers have failed to realize the changed relationship that exists between the nations of the world since the war. To think that this Nation can successfully trade with the rest of the world under a tariff such as is proposed is to expect the impossible. Agricultural leaders have somehow failed to note that the Emergency Tariff bill, passed more than a year ago, failed to produce any tangible results beneficial to agriculture. As long as we have a surplus of anything and an unavailable foreign market, the highest tariff rate possible will produce little benefit. The demand that foreign nations shall pay this country its debt together with interest is not consistent with the enactment of tariff rates which are higher on the average even than the Payne-Aldrich bill." (Pennsylvania Farmer, May 6.)

Tariff on Oils

An editorial in The Country Gentleman for May 13 says: "A prominent eastern commercial journal, the patrons of which can be classed as consumers only by the broadest interpretation of the word, delivers a feeling plea for the consumer and argues against a tariff on vegetable oils and other cheap food imports. A reader out in Michigan takes a huck towel and firmly wipes away the tears of this new champion of the much-championed food eater. The consumer, he points out rather unfeelingly, is suffering not so much from lack of cheap food as from lack of wages with which to buy food, said lack of wages being due principally to the fact that farm prices have been low and the farmer has not been buying the things which the consumer should have been manufacturing to sell him. Which is more important, the Michigan man wants to know: To build up the palm industry in tropic isles where food falls from the trees and a new suit may be mowed with a machete, or to help out at home where food and clothing are the serious daily business of every one? Surely there should be but one answer to this question, but it is not quite so simple as 'yes' or 'no'. Even farmers can not agree on a selfish answer. Thousands of dairy farmers buy butter substitutes for family use. ... So long as this is the case the farmer's complaints of cheap foreign competition lack convincing weight. Looking at it broadly, we have a very definite place in this country for butter substitutes? One of the big and growing industries of the South is the production of vegetable oils. The South, if it grasps its opportunity, will go in for the manufacture of both butter and margarines, turning them out of the same factory. ... Wisconsin, Minnesota, New York and many other dairy states have

an even greater opportunity along this line, and to some extent are grasping it. If they serve their best interest they will buy a lot of the South's cotton seed and put it into the same manufacturing circle, adding some of Dixie's soil wealth to their own acres in so doing. Denmark has played this game for years, taking our cotton seed by the shipload, enriching a naturally poor soil and selling both butter and its substitutes to the world in competition with the American dairyman. The American farmer, by opposing the general idea of butter substitutes, has hidden his head in the sand, ostrichlike, and the things which stick out behind are not tail feathers, but Danish arrows feathered with some of his own plumage. The farmer must broaden his own viewpoint on this question. ... Butter substitutes we will have with us always. It is just as well to recognize this. Consumers will not give up oleo -- and consumers are a majority in this country. But -- and this is the axle of the thought -- our butter substitutes should not be made of duty-free tropic oils. ... "

Section 3.

Department of Agriculture

1. Southern Agriculturist for May 1 says: "Such general protest has greeted the proposal to transfer the Forest Service from the Department of Agriculture to the Department of the Interior that its defeat now seems assured. The personalities of the Secretaries of Agriculture and of the Interior make such a change doubly undesirable at this time -- everyone knows that the forests are safe in the hands of Secretary Wallace, while what might happen to them once they were in Secretary Fall's hands is more than a bit doubtful. Forgetting, however, the personal qualities of the two men now in charge of the two departments, there remain a dozen reasons for keeping the Forest Service where it is to one for transferring it. Forestry is really but one branch of agriculture, and the Department of Agriculture has handled the forests successfully. As a matter of permanent public policy the forests should be considered not as an asset to be disposed of, but as a resource to be conserved and perpetuated. The whole proposition of transfer was conceived in a spirit of fundamental misunderstanding of the part the forests fill in the life of the Nation. Perhaps, however, the proposal has done some good by demonstrating the general public confidence in the Forest Service, and by bringing home to many citizens a new realization of the importance of forest preservation and perpetuation."

2. The Eastern Dealer in Implements and Vehicles for April 27 thus comments upon the department's report made up from 583 manufacturers in the line, showing the manufacture and sale of farm equipment in the year 1920: "The report gives a line on the scope and size of the industry, and as it is claimed to be 99 per cent correct, the value of such yearly reports must appeal to all, and it is to be hoped that our manufacturers will give hearty support to the work of collecting truthful statistics."

3. The National Stockman and Farmer for May 6 says: "The United States Supreme Court this week definitely settled the argument as to whether the Government can regulate private trade in agricultural products by upholding the constitutionality of the Packers and Stockyards act in its jurisdiction over commission merchants and

traders. This indicates that the essential principles of the Grain Control Act are constitutional and that the Government may legally, whenever it may be deemed advisable, impose regulatory limitations upon the conduct of marketing operations in fruits, vegetables, eggs, dairy products and tobacco."

Section 4.

MARKET QUOTATIONS

Farm Products

May 6: Stop-loss selling carried Chicago May wheat to new low on present downturn. Deferred futures weak in sympathy. Chicago July wheat lower at $1.24; Chicago July corn lower at 64 1/8¢. Cash demand slow but basis steady. Milling demand continues very slow. Corn held narrow range. Closing prices in Chicago cash market: No.2 red winter wheat $1.37; No. 2 hard winter wheat $1.37; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 38 1/2¢. Average farm prices: No. 2 mixed corn in Central Iowa about 48 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.39 1/4; No. 2 hard winter wheat in Central Kansas $1.25.

Chicago cattle, sheep and lamb prices practically unchanged. Hogs, bulk of sales $10.15 to $10.70; medium and good beef steers $7.65 to $8.75; butcher cows and heifers $4.75 to $8.50. Light and medium weight veal calves $6.25 to $8.75. Fat lambs $12 to $14.90.

Potato markets slightly weaker; old stock down 10 to 20¢ in Chicago, New York and Michigan shipping points. Florida potatoes steady to firm at $6.25 to $7 per bbl. in northern markets. Heavy arrivals old stock in Boston and Pittsburgh. Texas yellow onions steady in northern markets at $2.50 to $2.75 per crate; weak at shipping points. Strawberry supplies heavy.

During the week ended May 6 Chicago July wheat advanced first half of week on good export business, light receipts and smaller May deliveries than expected, but prices declined the latter half of week on falling off in export demand, weakness in Liverpool, lower outside cash markets, and improved weather and crop conditions. Chicago July wheat dropped 2 1/4¢; Chicago July corn down 1/2¢.

Chicago hog prices were practically steady. Beef steers and butcher cows and heifers generally steady with spots 10 to 15¢ lower. Feeder steers steady to 15¢ higher. Veal calves ranged 25 to 50¢ higher, with spots 75¢ higher. Fat lambs and yearlings steady to 25¢ lower. Eastern wholesale fresh meat prices irregular.

Northern round white potatoes dropped 30¢ in Chicago. North Central shipping points slightly weaker. Florida Spaulding Rose steady in most northern markets; down 25¢ at Hastings. Texas yellow Bermuda onions, commercial pack standard crates, steady in northern markets; up 25¢ at Texas shipping points. North Carolina head lettuce demand good for good stock. Northern type sweet potatoes firm in New York.

Hay markets generally firm for better grades at steady prices. Prairie weaker at Minneapolis because of larger receipts from Southwest. Wheat feed market firm for early shipment. Middlings in better demand; prices advanced. More mills offering linseed meal, but demand is light; prices unchanged.

Spot cotton up 98 points, closing at 18.01¢ per lb. New York May futures up 109 points at 19.30¢. (prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 33. Section 1. May 9, 1922.

Federal Expenditures

Representative Byrns, ranking democrat of the House Appropriations Committee, May 8 declared that analysis of the report of the Director of the Budget, in which that official claimed a saving of $1,600,000,000, would show that the figures submitted by Director Dawes are "plainly deceptive." (Press, May 9.)

Tariff Legislation

An attack on the flexible tariff plan, proposed by the Senate Finance Committee on the recommendation of President Harding, was launched May 8 in the Senate and in the course of the four hours' debate, Chairman McCumber, in charge of the tariff bill, announced that some of the objections to the plan would be considered by the committee before final Senate action on it. Senator Walsh, of Montana, cited authorities and court decisions to support his argument that the provisions of the bill were unconstitutional. Members of the Republican agricultural tariff bloc stood pat on the Senate Finance Committee amendment to transfer arsenic acid from the free list to the dutiable list at 3 cents a pound. (Press, May 9.)

Muscle Shoals

Charles L. Parsons, former chief chemical engineer for the War Department, told the Senate Committee on Agriculture and Forestry May 8 that Henry Ford's "dream" of cheapening the prices of fertilizers by production of those commodities at Muscle Shoals "could not come true," and expressed opposition to any proposal for private development which promised fertilizers at half price and failed to guarantee the reduction. (Press, May 9.)

Genoa Conference

The New York Times to-day reports from Genoa: "The Genoa conference situation now hinges on the Russian answer to the powers' memorandum, which will be made to-night or Wednesday morning. All depends on that. If Russians give a reply which Premier Lloyd George believes to be enough of an acceptance to justify continuing the negotiations, he will then make an effort to get the French into line, so that the conference can get back where it was at the start. If Mr. Lloyd George judges the Russian answer to be too much of a refusal to make continuance of the negotiations worth while, he will end the conference Friday or Saturday. There will be no non-aggression compact if there is no Russian settlement."

Section 2.

Agricultural Financing

Eugene Meyer, jr., Managing Director of the War Finance Corporation, May 8 made the following statement: "Repayments received by the War Finance Corporation from January 1 to May 3, inclusive, aggregated $61,567,000. Of this sum, $7,236,000 represents repayments on account of loans made under the war powers of the Corporation. Of the latter amount, $208,000 was repaid on cattle loans and $7,028,000 on railroad and public utility loans. Repayments of expor advances during the period indicated total $27,556,000, of which $10,820,000 was repaid by exporters, $1,760,000 by cooperative marke ing associations, and $8,251,000 by banking institutions, while $6,725,000 represents repayments on export loans financed through Edge Law bank acceptances. Repayments on account of agricultural and live-stock loans aggregate $26,774,000. Of this amount, $17,278,000 was repaid by banking and financing institutions, $2,583,000 by live-stock loan companies, and $6,913,000 by cooperative marketing associations. All repayments have been voluntary, and a considerable part of the total represents repayments before due dates." (W.F.C. press statement, May 8.)

Canada Seeking Farm Immigrants

F.W. Wile says in The Philadelphia Public Ledger for May 8: "Canada aspires to take the place of the United States as the classic 'land of promise' for the overcrowded, oppressed or impoverished countries of Europe. Coincident with the enforcement of the new American immigration laws limiting the numbers of aliens who may enter our territory, Canada purposes launching a world-wide propaganda designed to attract emigrants. The scheme originates with the Canadian Pacific Railway, itself a pioneer in promoting the settlement of Canada's vast unoccupied domains by foreign colonists."

Food Costs

The Department of Labor, through the Bureau of Labor Statistics, has completed the compilations showing changes in the retail cost of food in 30 representative cities of the United States. During the month from March 15, 1922, to April 15, 1922, 21 of the 30 cities increased as follows: Kansas City, 2 per cent; Atlanta, Boston, Cincinnati, Cleveland, Detroit, Minneapolis, Norfolk, Portland, Me., and Washington, D.C., 1 per cent. The following cities increased less than five-tenths of 1 per cent: Bridgeport, Chicago, Denver, Los Angeles, Newark, New Haven, New York, Philadelphia, Pittsburgh, St. Paul, and Salt Lake City. The other nine cities decreased as follows: Baltimore, Houston, St. Louis, and Scranton, 1 per cent. In Memphis, Milwaukee, Peoria, Providence, and Richmond, there was a decrease of less than five-tenths of 1 per cent. For the year period, April 15, 1921, to April 15, 1922, there were the following decreases: In Norfolk, 13 per cent; Pittsburgh, 12 per cent; Denver and Salt Lake City, 11 per cent; Bridgeport, Cincinnati, Houston, and Kansas City, 10 per cent; Baltimore, Cleveland, Milwaukee, New Haven, Peoria, Providence, St. Louis, Scranton, and Washington, D.C., 9 per cent; Boston, Chicago, Newark, New York, and St. Paul, 8 per cent; Memphis, Minneapolis, Philadelphi and Portland, Me., 7 per cent; Atlanta, Detroit, Los Angeles, and Richmond, 6 per cent.

As compared with the average cost in the year 1913, the retail cost of food on April 15, 1922, showed an increase of 50 per cent in Richmond; 47 per cent in Washington, D.C.; 45 per cent in Scranton;

43 per cent in New York; 42 per cent in Baltimore, Chicago, Detroit, and Providence; 41 per cent in Boston and Philadelphia; 40 per cent in Atlanta and Cincinnati; 39 per cent in Milwaukee and Minneapolis; 38 per cent in St. Louis; 37 per cent in Kansas City and New Haven; 36 per cent in Newark and Pittsburgh; 34 per cent in Cleveland and Memphis; 31 per cent in Los Angeles; 26 per cent in Denver; and 20 per cent in Salt Lake City. Prices were not obtained from Bridgeport, Houston, Norfolk, Peoria, Portland, Me., and St. Paul, in 1913 hence no comparison of the 9-year period can be given for these cities. (From the report.)

Hog Marketing

In an editorial on "Meeting the Export Demand," The National Provisioner for April 29 says: "One important way to meet the requirements of these markets is to grow a type of hog in the United States that will produce the bacon that the foreign market demands. In the final analysis it is not the farmers nor promoters of breeds who set the standard for bacon hogs. It is the consumers who are the judges of what constitutes the type to reach a given market. British consumers have taught Canadian breeders and feeders that they must have the breed as well as the feed right. And the Canadians are seeing that they are getting these right. ... There has been much said about the handicap American packers find in Danish bacon. One leading English bacon merchant, however, has recently summed up the matter by pointing out that the only handicap is that the American sides lack uniformity compared with the quality and weight possessed by the Danish. This, he says, is due to the lack of uniformity in the hogs produced in America. When over here we shall produce hogs which make long sides more like the Danish, the only differential in price between the Danish and American bacon will be due to the fact that the American sides must be boraxed to travel the long distance. Otherwise they would sell on a parity."

Irrigation Legislation

"Why should the President make the mistake of indorsing the McNary grab of $350,000,000 of taxpayers' money for irrigating Nevada, Arizona and adjacent arid deserts? Mr. Harding well knows that the National Agricultural Conference at Washington in January, called by himself, unanimously voted against any grant of public funds for creating new farms until agriculture is reinstated and made profitable at home and abroad. Mr. Capper of the Senate farm bloc writes us that he is strongly opposed to the McNary plan because the treasury and taxpayers are in no condition to support it. If the farm bloc in Congress is against this steal, not even the President's indorsement of it can put it across. In any event, Mr. Harding's ill-timed and poorly considered espousal of this scheme to tax the East for the benefit of arid land speculators is a sad mistake on his part." (New Eng. Homestead, Apr. 29.)

Labor Situation

Employment conditions show that there is "widespread industrial awakening extending from coast to coast," Secretary Davis declared May 7, commenting upon reports made by the Employment Service. "The farm situation is decidedly encouraging," Mr.Davis wentron. "The demand for farm help from all sections of the country is indicative of the optimistic attitude of the farmer. As there are 6,448,000 farms in the country they will absorb a tremendous amount of labor." (Press, May 9.)

Tariff on Oils "The present status of the tariff bill admits copra to come in free of duty, but provides a tariff on cocoanut oil and other vegetable fats. We can scarcely see the wisdom of such a schedule, since 500 lbs. of copra contains about 25 gallons of oil. To be consistent a tariff should be placed on copra and the rate should be established on the amount of oil it contains. The American farmer is interested in a tariff on vegetable oils, because he produces large quantities of fat. He can not exist under competition with fats produced by a tropical sun and at ridiculously low labor cost. He reasons that if a tariff is to be placed on the finished commodities which contain a large percentage of fat, the oil should not come in free." (Hoard's Dairyman, May 5.)

Wool Marketing C.J. Fawcett, director of wool marketing, American Farm Bureau Federation, gives "five fundamental reasons why the wool market will be on a high plane of values this season: Domestic consumption has again assumed normal proportion, about 600,000,000 pounds annually. Domestic 1922 clip is estimated at 250,000,000, or only 40 per cent of the home consumption for the coming year. World shortage is indicated by active foreign markets and increases in values secured at each foreign auction sale. A satisfactory tariff is assumed, probably on the thirty-three cents per clean pound basis. The pooling movement stimulates buyers to bid the limit to possess wools."(A.F.B.F. Weekly News Letter, May 4.)

Section 3.

Department of Agriculture

1. The Price Current-Grain Reporter for May 3 says in an editorial: "The paper may be unfair to the Secretary, but it is Senator Capper's Ohio Farmer which says that according to Mr. Wallace there is a widespread feeling among farmers that agriculture has been discriminated against by the Federal Reserve Board, and opposition to putting a farmer-minded man on the board by the financial interests was increasing this prejudice against the board. The private opinion of Mr. Wallace on such a subject is of course of much interest. The opinion of a Cabinet officer on the same subject so expressed as a mere apprehension or guess, in the face of repeated affirmations by officials of the board to the contrary, is quite a different matter. If executives of two departments of the same Government put no weight upon the positive assertions of each other as to what is fact, how can they expect the people to have any confidence and respect for their Government as a whole? 'Feeling' is one thing. Anyone can 'feel.' Knowing is another thing. Mr. Wallace as a Cabinet officer ought not to give expressions to 'feelings' which create unrest in the souls of a class. He should know if the Federal Board has discriminated as he hints, otherwise he ought not hint that it has."

2. Commenting upon Secretary Wallace's address on The Cost of Living, before the National League of Women Voters, at Baltimore, April 24, The Commercial and Financial Chronicle for May 6 says: "Secretary Wallace, in thus expressing his views, contended that he was not arguing that there should be reductions in wages, but that he was simply pointing out that the large increases in wages are mainly responsible for the large increase in cost to the consumer." (Cont'd on page 5.)

The same issue, in quoting Secretary Wallace's address on "The Farmers and the Railroads" before the New York Academy of Political Science, April 28, says: "Secretary Wallace endeavored to make clear that western agriculture has been developed on freight rates made with a view to encouraging the movement of farm products long distances to central processing and consuming markets, such rates, of course, being adjusted roughly to the bulk and value of the crop to be moved."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 8: Fluctuations rapid with shorts persistent buyers throughout. Liverpool lower; weather and crop advices continue favorable. Foreign inquiry for wheat slow and mostly confined to new crop. Chicago July wheat higher at $1.24 3/8; Chicago July corn higher at 64 3/4¢. Visible supply wheat 31,003,000 bushels, a decrease of 278,000 bushels for week. Corn featureless and followed wheat. Closing prices in Chicago cash market: No. 2 red winter wheat $1.37; No. 2 hard winter wheat $1.37; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in Central Iowa 49¢; No. 1 dark northern wheat in Central North Dakota $1.36 1/2; No. 2 hard winter wheat in Central Kansas $1.23.

Chicago hog prices opened fairly active; closed firm on lights and light butchers, weak on other grades. Hogs, bulk of sales $10.25 to $10.90; medium and good beef steers $7.75 to $8.85; butcher cows and heifers $4.85 to $8.60. Light and medium weight veal calves $6.25 to $8.75. Fat lambs $11.50 to $14.00.

Potato market nearly steady; Boston weak; Chicago up 5¢ per 100 lbs. North shipping points quiet. Floridas fairly steady in northern cities, $5.75 to $7. Texas yellow onions dull but steady, generally $2.50 to $2.75 per crate. Heavy supplies and shipments of strawberries in most markets down 5¢ to 8¢ a quart, generally 12¢ to 20¢ a quart.; Boston 20¢ to 28¢ a quart.

Prices for higher grades of hay firm account of scarcity of good timothy. Poorer grades which comprised 75% or more of the receipts were weak and almost unsalable in some markets. Clover was also slow sale. New alfalfa causing lower prices in southwestern alfalfa markets.

Butter markets are slightly firmer at higher prices following the decline this past week. Stocks are kept well cleared in anticipation of lower prices as receipts increase. Cheese markets steady to firm and prices are practically unchanged. New cheese is in better demand.

Spot cotton prices advanced 59 points, closing at 18.60¢ per lb. New York May futures advanced 58 points, closing at 19.88¢.

(Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 8	May 7	May 8, 1921
20 Industrials	92.84	93.59	78.81
20 R.R. stocks	84.30	84.65	75.38

(Wall St. Jour., May 9.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 34. Section 1. May 10, 1922.

Rail Chiefs to Discuss Rate Decreases

President Harding has summoned fifteen of the leading railroad executives of the country to the White House on May 20 for the purpose of discussing the rate situation. It is understood the President will ask the transportation chiefs to consider the possibility of adjusting railroad freight rates downward as a voluntary matter, because the Interstate Commerce Commission membership is said to have concluded that it can not legally compel reductions to an extent satisfying to sections of public and business sentiment. (Assoc. Press, May 10.)

Business Conditions

John E. Edgerton, president of the National Association of Manufacturers, declared at the annual convention of the organization in New York, May 9, that the chief economic problem of the day is that there are too many middlemen in the industrial fabric, with too many persons engaged in distributing the products turned out by the farmer and the manufacturer. Referring to tariff legislation, J.R. Howard, president of the American Farm Bureau Federation, offered a plea for revision "sufficiently flexible to meet the rapidly changing conditions and not the result of long-drawn-out hearings at which the interest which talks longest and loudest wins." Senator Edge told the gathering: "You must accept to-day one of two things, continued investigation and court inquiry or a certain amount of governmental supervision. I won't say supervision: I hope cooperation." (Assoc. Press, May 10.)

Bankers and Farming

Plans for a nation-wide campaign to stimulate the interest of bankers in agriculture were considered by the agriculture commission of the American Bankers' Association, in conference at White Sulphur Springs, W.Va., May 9. Joseph Hirsch, of Corpus Christi, Texas, chairman of the commission, pointed out that recent events have shown the importance of a better understanding by bankers of agricultural conditions. Charles J.Brand, former chief of the United States Bureau of Markets, also addressed the commission on the same subject. Plans were announced by which representatives of the commission are to tour all the states for conferences with banking organizations. (Press, May 10)

Marsh Opposes Subsidy Bill

Benjamin C. Marsh, representing the Farmers National Council, before the joint hearing of Senate and House committees yesterday, opposed the administration ship subsidy bill in its present form. (Press, May 10.)

Section 2.

Agricultural Financing

The War Finance Corporation anncunces that from May 4, to May 6, 1922, inclusive, it approved 57 advances, aggregating $1,785,000, for agricultural and live-stock purposes in 23 States. During the week ending May 6, 1922, the corporation approved a total of 139 advances, aggregating $3,550,000. (W.F.C. press statement, May 8)

Cold Storage Legislation

The Pacific Dairy Review for April 27 says in an editorial on "Another Cold Storage Bill": "Just why cold storage of foods has such a menace in the eyes of a certain class of people is difficult to see. We wonder what would happen to farmers on the one hand and consumers on the other if our cold storage houses were to be closed. ... There is more reason for hampering this essential method of keeping food in an edible condition than there is for regulating the smoking of meat, preserving fruit and vegetables in pickle, canning them or whatever method is used. In fact, there is less reason, for in all of these methods there is opportunity to use inferior products. When butter, eggs or any other food is held in cold storage one thing is essential, and that is that only the best and the freshest are adapted for cold storage. It is often charged that those who store food in cold storage misrepresent them and sell them for fresh. What better testimonial could there be in favor of this method of holding food. The notion that it is a method that plays into the hands of speculators at the expense of producers and consumers is equally asinine. No such regulatory law is needed. Its only results will be to embarrass a legitimate business, increase the prices of foods and make lazy jobs for persons who should be engaged in productive lines, rather than obstructions to other people's business."

Experiment Station Work in Texas

Farm and Ranch for May 6 says in an editorial: "The penny wise and pound foolish attitude of the Texas legislature has deprived Texas farmers and live-stock men, to a large extent, of the benefits of the work of the men of science at the State experiment stations for a period of two years. The legislature, in its lack of wisdom, reduced the appropriation for the printing and distribution of experiment station bulletins to the meager sum of $5,000 when the sum of $25,000 would not have been extravagant. Texas has been fortunate in being able to secure a staff of scientific men for its experiment stations who are not excelled in any other State. They are familiar with Texas conditions and Texas needs, but of what benefit are they to farmers and live-stock men if the results of their work must lie in manuscript form in dusty pigeon holes. Yet, that is just the situation at this time. Much valuable information has been obtained, some of it after many years of painstaking and expensive experimental work, that should now be in the farmers' hands, but it will probably remain stored away until it becomes yellow with age."

Filled Milk Danger

"Recognition of the danger to public health in the consumption of milk in which cocoanut oils are substituted for butterfat is gradually spreading and steps are everywhere taken to prevent the growth of this harmful industry. ... Resolutions have been adopted by some of the organizations favoring legislation which will prohibit the sale of these imitation milk products in Minnesota, and their shipment in interstate commerce." (The Milk Dealer, May, 1922.)

Flax

"Sowings of flax seed this spring in Ireland will be the smallest on record for the last 60 years, at least, because the farmers have lost confidence, finding that flax raising did not pay lately, according to W.H. Webb, president of the Irish Linen Society and president of the Belfast Chamber of Commerce, who arrived May 8 for his yearly visit to America. In his opinion practically all the flax grown in 1920 and 1921 is now in the spinners' hands, and it would take only a very short time to exhaust the stocks in case demand should increase suddenly. Only about 18,000 tons of flax was imported by Belfast spinners in 1921, as against 105,000 tons before the war, and very little can be expected from Russia, at least in finer grades." (Daily News Record, May 9.)

Foreign Trade

The Journal of Commerce for May 9 says in an editorial entitled "Is Our Foreign Trade Satisfactory?": "But what are the impeding factors which must be considered? The world-wide derangement of business growing out of the war and the general 'business depression' are first to come to mind perhaps. But our failure to take our full part in world reconstruction, our wholly inadequate foreign trade finance policy and the like must not for a moment be overlooked. Our export trade, circumstances being what they were, has done well, but there is no room for doubt that it could and would be in a much better position had we adopted a different attitude on fundamental issues. Our exports might, and probably would, maintain themselves as well as could be expected under the circumstances, should we build a tariff wall, Chinese like, about us, but no one supposes that it would flourish as it would under a wiser policy."

Fruit Marketing

The Washington Farmer for May 4 says: "A fruit growers' committee of 21, appointed by the American Farm Bureau federation, convened at Chicago last week to begin active work on a national plan for cooperative marketing and distribution of fruit. This timely effort will be followed with keen interest and hope by the fruit growers of the Pacific northwest, particularly of the State of Washington, where a break between the private marketing agency of the Crutchfield interests and cooperative associations in or affiliated with the Skookum growers constitutes a grave menace to the important orchard industry. The situation is especially serious in the Spokane valley, where the failure of the Spokane Fruit Growers' company has left the growers destitute of cooperative benefits, both as to production and marketing. Even the privately owned and controlled marketing agencies prefer to deal with bodies of organized growers, and as matters now stand in the Spokane valley there is no organization to finance the unorganized growers in the purchase of spray materials, boxes, paper, nails and other supplies and for picking and packing expenses, as the Spokane Fruit Growers' company had done for the last seven years. Many growers have complained of the high cost of cooperation, but they are now faced with the danger of the still higher cost of non-cooperation. If the American Farm Bureau Federation can devise a way of strengthening cooperative fruit growers it will render a very great service to the orchard industry."

Grain Marketing

"The Cumberland Co-operative Ass'n at Atlantic, Ia., after much urgence to 'sign up' with the U.S.G.G., Inc., has wisely decided to 'play safe' and to protect and preserve its own business. It has agreed with the corporation to act only as handling medium

for all farmers who want to ship to the U.S.G.G.,Inc. This will put the responsibility for the grain and its disposal on the corporation and on the farmer himself. The decision will have the virtue of demonstrating to the farmer who ships to the U.S.G.G., Inc., the uselessness and costliness of that service and how much better it will be for the farmer to let the local elevator buy his grain directly. The local company will pay on its delivery the full market value of the grain on day of sale and if a profit be made on the elevator's operation, as a shareholder he will get his proper part thereof. Selling to the local elevator he will not have to wait weeks or months for any part of his money held back without interest to him by this agent. He will not have to pay two selling commissions to be taken from his returns; he will not have to pay the U.S.G.G., Inc., overhead or any part of its debts or losses or costs of its blunders or incompetency. He will be a free man, and his local elevator also a free agent." (Price Current-Grain Reporter, May 3.)

Grain Trading

"The daily press is carrying doleful stories of the great diminution in grain gambling on the various boards of trade. The 'ticker' trade is reported as being practically dead of late. It is, of course, too much to hope or believe that this class of gambling has ceased, but that it will grow gradually less. is confidently expected as the statute controlling these boards begins to function. The howl that went up when the farmers, through their organizations, assisted by the agricultural bloc, undertook to regulate these exchanges, was most terrifying to the ear -- only. The gamblers and parasites who have robbed the farmer for all these years saw only disaster.and ruin for business generally and utter destruction of a cash market for the farmer's grain. None of these dreadful things have or will happen. Gambling in food stuffs will cease and the farmers will more likely come into his own -- thanks to his patience, perseverance and -- organization!" (Southern Planter, May 1.)

Honey Adulteration

"It's the little drops that fill the bucket. ... There was a time not long ago when 'filled' milk was only a drop in the bucket, but drop by drop that competition grew until all the dairy interests of the country are fighting tooth and nail to kill the unhealthy dairy product substitutes which are undermining the dairy business. The latest drop in the bucket is honey which contains two-thirds corn syrup. This product is going into the trade as a honey substitute, and may very properly be termed 'filled' honey. The wide-awake bee keepers in New York are already taking this problem in hand, and with the bee interests of the Empire State fairly well organized, the pressure of their organization should bring results. These little drops in themselves are not large, but the bucket will hold only so much, and the drops of unfair competition and inferior goods take the place which should be occupied by bonafide American farm products." (American Agriculturist,Apr.29.)

Marketing

Wallaces' Farmer for May 5 says in an editorial on "The Study of Marketing": "The University of Chicago is planning to open a department of agricultural commerce in its school of commerce and administration. In its prospectus it remarks upon the fact that in the field of agricultural production approximately $100,000,000 a

year is being spent in teaching research and extension work, but that very little is being spent in constructive study of the work of distribution. 'This work,' it adds, 'is not being done and can not be done in the agricultural colleges, whose business is rightly restricted to technical study of productive methods.' It is suggested in this prospectus that research work in agricultural commerce be undertaken in cooperation with agencies of cooperation, such as Armour's bureau of agricultural research, the economics department of the International Harvester Company and the commercial research department of Swift & Company. Part of the money to finance the school would also come from such industries as these. While the prospectus shows a rather ludicrous lack of comprehension of the field which the modern agricultural college is covering, and while it indicates that one result of the operation of a school like the one suggested might be to produce apologists for existing methods of marketing, yet the plan has undoubted merits. ... Some day, of course, we hope there will be set up in Chicago a graduate institution of a slightly different type, which will also have for its purpose the training of men in the technique and philosophy of marketing. It will not supplant the excellent departments of agricultural economics which are being built up in many of our colleges. It will merely be a school which will give an opportunity to graduates of these institutions to carry on their studies under more favorable conditions for first-hand investigation. This institution, however, will be financed not by the packers, but by the farmers themselves. Its job will not be to train apologists for the existing order, but to produce intelligent leaders for the farmers in their efforts to control more and more effectively the distribution of their products."

Section 3.

Department of Agriculture

California Fruit News for April 29 says in an editorial:" ... Any statistical work of the Government that can not be done properly for lack of appropriation or any other reason at all should be abandoned entirely. There is no middle ground in this matter. We are led to call attention to this instance and indulge in this comment because of a knowledge born of a good many years' experience in our particular line, that Government figures are altogether too frequently unreliable, inaccurate, partial and do not bear out the popular acceptance of infallibility which attaches to Government statistics. So far as our own observation goes, we have not in mind any cases where inaccuracy is intentional, but inefficiency in the largest acceptance of the word would usually characterize the reason. When one finds instance after instance of statistical data issued by the Government, in which not even so simple a process as the total at the bottom of a few figures is correct, and replies to criticism frequently come that 'we are glad you called this to our attention' or words to that effect, the situation is certainly criticizable. Among the instances of this sort, the Department of Agriculture we have found frequently guilty. ... "

Section 4.
MEETINGS, HEARINGS AND VISITORS.

The local chapter of the American Farm Economic Association will meet Thursday afternoon, May 11, at 4:40, in the conference room (411) of the Bieber Building. Senator Lenroot, of Wisconsin, will speak on middle term credit, and, it is expected, Hon. Charles E. Lobdell, Farm Loan Commissioner, also will address the meeting, as well as a representative of the Federal Reserve Board. Every one is cordially invited to attend.

Section 5.
MARKET QUOTATIONS.

Farm Products

May 9: Chicago wheat prices fluctuated uncertainly within narrow range. Chicago July wheat lower at $1.23 5/8; Chicago July corn lower at 64¢. Better milling demand and firmer outside markets caused rally late but advance did not hold and close was fractionally lower. Closing prices in Chicago cash market: #2 red winter wheat $1.38; #2 hard winter wheat $1.38; #2 mixed corn 61¢; #2 yellow corn 62¢; #3 white oats 39¢. Average farm prices: #2 mixed corn in central Iowa 48¢; #2 hard winter wheat in central Kansas $1.20.

Chicago hog prices practically steady, bulk of sales $10.25 to $10.90. Beef steers steady to strong; medium and good grades $7.75 to $8.85. Butcher cows and heifers $4.85 to $8.60. Fat lambs steady at $11.25 to $14.25.

Potato markets generally steady; prices slightly weaker in Chicago at $1.50 to $1.70 per 100 pounds. Florida Spaulding Rose down 25¢ at $4.75 f.o.b. Hastings; mostly $6.00 to $7.00 in northern cities. Texas yellow onions steady in most eastern markets; down 25¢ in Chicago at $2.25 to $2.50. Carolina and Virginia strawberries weak; general jobbing range 10¢ to 25¢ per quart.

Spot cotton prices advanced 4 points, closing at 18.64¢ per lb. New York May futures declined 15 points, closing at 19.73¢.
(Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 9	May 8	May 9, 1922
20 Industrials	92.57	92.84	78.61
20 R.R.stocks	83.98	84.30	74.68

(Wall St. Jour., May 10.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 35. Section 1. May 11, 1922.

Tariff Legislation

Decision of Republicans to hold night sessions to expedite action on the tariff bill brought forth sharp protests in the Senate May 10 from Democrats who have been repeatedly charged with conducting an organized filibuster. Chairman McCumber told the leaders of the filibuster that the majority would accept the challenge made by them "without any loud mouthings and shriekings, but with a cool, calm effort to prevent it if possible." (Press, May 11.)

International Institute of Agriculture

The Congressional Record for May 10 reports from the House of Representatives: "The conference report on the State and Justice Departments Appropriation bill was submitted. The conference agreed to $19,577 for the International Institute of Agriculture as proposed by the House, instead of $8,000, as proposed by the Senate."

Agricultural Credit

J.R. Howard, president of the American Farm Bureau Federation, May 10 told the executive council of the American Bankers' Association, in convention at White Sulphur Springs, W.Va., that bankers sometimes are inclined to disregard what is good for the farmer and are too busy lending him money. "A farmer as well as anybody else can be loaned more money than is good for him," declared Mr. Howard. "It should be considered whether the farmer needs a different term of credit to finance farm equipment and possibly a cheaper rate of interest. It has been charged that banks of one great agricultural state were holding the farmer up for 8 per cent while sending funds to New York to invest in corporate securities at 5 per cent. There is need for an intermediary credit in addition to credit for the production and marketing of his crops." (Phila. Ledger, May 11.)

Muscle Shoals

A semi-governmental corporation for completion and operation of the Muscle Shoals project, outlined by former Representative Lloyd, of Missouri, before the Senate Committee on Agriculture and Forestry will be formally submitted to-day. The proposal provides for cooperation with a directing body of seven, comprising a representative for each of the Treasury, War and Agriculture departments, to lease the projects for fifty years. (Press, May 11.)

Section 2.

Business Situation

Governor Harding, of the Federal Reserve Board, said in an address on "Credit, Currency and Business," before the Southern Wholesale Dry Goods Association, May 10: "The situation to-day in many respects is exactly the reverse of that which existed at the end of the year 1919. Surplus goods of all kinds have gone into consumption and statements of merchants throughout the country show a marked reduction in the volume of goods on their shelves. The fact that a revival in agriculture has come much sooner than had been expected by those who regarded the low prices of last summer as permanent has brought new hope and courage to the agricultural districts and affords a basis for the belief that there will, in due time, be a distinct business improvement in those districts. While the situation abroad is still complicated and will doubtless continue so for many years, there are many indications of improvement. The exchanges of some of the leading European countries have become far more stable during the past twelve months and the pound sterling in particular has made a distinct advance toward its normal parity, the present quotation being about $4.44 as compared with $3.92 on April 15, 1921." (Press, May 11.)

Cotton

Commerce and Finance for May 10 quotes the following British view of "Where Will the World Get Its Cotton?": "That England is alive to the prospective and possibly permanent shortage of American cotton that confronts her textile industry is indicated by a lengthy article appearing in the London Sunday Chronicle of April 2. The writer is described as a 'special commissioner' appointed by the editor of the Chronicle to investigate the subject. After pointing out that the main requirement of Lancashire is the 'bread and butter' cotton supplied by America, he calls attention to the fact that the American cotton production has fallen from 16,000,000 bales in 1911 to 8,000,000 in 1921. This decrease he attributes to the fact that the price of cotton has not, upon the average, been high enough to meet the increased costs of production and especially the expense of combating the boll weevil and the other pests that shorten the yield. He reasons that Great Britain can not protect herself in the matter of her cotton supply except by bidding up the price to a figure that will encourage American production or subsidizing the cultivation of cotton within the Empire or in some other country than the United States. He is somewhat hopeless as to the possibility of increasing the production of cotton within the Empire, although it is admitted that the production of India might be increased by 2,000,000 bales if cotton were permanently worth 'a shilling a pound' and the Sind deserts were irrigated at an enormous capital expenditure. Of any great increase in the Egyptian production he seems to despair because of 'political conditions,' the pink boll worm, and the suspended development of the irrigation works upon which the extension of agriculture in Egypt depends. Mesopotamia is, he thinks, in much the same case with Egypt, and that Australia will ever become an important producer of cotton is considered improbable because the country is sparsely populated and the necessary labor is not available. It is asserted that there appears to be some hope of an increased cotton supply from Africa 'within a reasonable number of years,' but it is admitted that a realization of this hope depends upon the railroad development of the Dark Continent,

which is not rapid. The article concludes with the statement that 'it is to South America and particularly to Brazil that certain authorities look for an immediate increase in the world'e cotton supply should conditions require it.' "

Farmers and the Tariff

A.R. Marsh says in The Economic World for May 6: "One of the strangest anomalies in the political -- and economic -- history of the United States has been the unwavering belief of the great majority of the country's farmers since the Civil War in the efficacy of a protective tariff as a means of improving their lot as producers. It is an economic truth of the most elementary kind that in any country applying the principle of protection all numerous and freely competing groups of producers, whoever they may be, whose total product exceeds the consumptive demand of the country itself and who consequently have an uncontrolled surplus that must be disposed of in foreign markets, not only derive no benefit from the tariff in respect of the prices they obtain for any part of the fruits of their toil, but inevitably find themselves in the highly disadvantageous position of having to sell the entirety of what they produce upon the basis of world prices, while they must pay prices equivalent to world prices plus the tariff rates for whatever products they need to secure from the more fortunate groups of producers who either produce less than the country requires or have some method of controlling the marketing of their surplus production in such wise that the domestic price is kept disjoined from the world price. Notwithstanding the certainty and the obviousness of this simple economic principle, American farmers as a class -- with perhaps the exception of the cotton-growers in the South -- have been for two generations the most dependable of defenders of the protective system, reiterating upon all occasions their expressions of faith in its propriety and in its beneficence as regards themselves, and insisting that there be no departure from its doctrines in practice. And such for long years has been the attitude of the farmers towards the tariff, and accordingly it is perhaps not altogether surprising that the same manner of thinking manifests itself in most of the representations recently made by their spokesmen to Congress on the subject of the tariff measure now being framed by that body. ... "

Food Costs

An upward trend in the retail cost of food was noted May 10 in statistics made public by the Department of Labor. Reports from fifteen cities showed increases from March 15 to April 15 ranging up to 3 per cent, while four reported decreases and only one of those, Fall River, with 2 per cent, showing more than one-half of 1 per cent decline. Cities reporting increases were: Savannah, 3 per cent; Mobile, 2 per cent; Birmingham, Charleston, Columbus, Dallas, Indianapolis, Little Rock, Manchester, New Orleans and Seattle, 1 per cent; Buffalo, Louisville, Omaha and Springfield, less than one-half of 1 per cent. Butte and San Francisco reported decreases of less than one-half of 1 per cent. As compared with the average cost in 1913, retail cost of food on April 15, 1922, was 47 per cent higher in Charleston; 44 per cent in Buffalo; 43 per cent in Birmingham; 42 per cent in New Orleans; 40 per cent in Fall River; 39 per cent in Manchester and Omaha; 38 per cent in Dallas; 35 per cent in SanFrancisco; 33 per cent in Indianapolis,Little Rock and Seattle; 30 per cent in Louisville. (From report of May 10.)

Foreign Trade

Nationalists, described as those seeking to isolate America commercially as well as politically from the rest of the world, were criticized by Julius H. Barnes, in a discussion of the effect of the collapse of foreign currency upon American markets, at the ninth National Foreign Trade Convention, at Philadelphia, May 10. Mr. Barnes declared that America depends upon the export market to dispose of 60 per cent of her cotton, 50 per cent of her tobacco and 20 per cent of her wheat, and, unless these commodities could be sold to foreign consumers, the American farmer must suffer in a decline in the prices of the stuff he raises. (Phila. Ledger, May 11.)

Forestry

The Michigan Farmer for April 29 says in an editorial on "Forests and the Farmer": "Congress is being importuned to establish a forestry experiment station in the lake regions. There is a probability that such a station may be located in this State. Being the largest consumer the farmer should be interested in such an institution. He should be interested whether the station is located in Michigan or New York or Minnesota. A station of this kind would be in a position to determine the best practices in farm forestry, the sanest methods of protecting wood-producing trees and the wisest plan or plans for marketing forest products. There can be no doubt that the bulk of timber will ultimately come from the woodlots on our farms. Since it takes a long term of years to produce a wood crop, it seems to be imperative that this move to aid in keeping up the supply of wood be not allowed to die before it is well started. Public opinion generously expressed will be a big factor in getting results."

Meat Consumption

In its review of the meat and live-stock situation during April, the Institute of American Meat Packers says: "Some of the interesting features of the meat trade during April may be summarized as follows: (1) Consumers apparently were more interested than they had been in getting the most value for their meat dollar. Retailers' orders reflected a greater interest in those cuts which, although they require more time for preparation than steaks, chops and rib roasts, are highly palatable and nutritious and are available at lower prices. ... (2) The Easter trade brought no material increase in demand. Normally it greatly stimulates buying, especially the buying of smoked meats. (3) The cost of hogs at Chicago at the end of the month was fifty per cent higher than it had been at the end of November -- only five months ago. But the wholesale value of pork cuts continued, in the aggregate, below parity with the cost of hogs." (From the report.)

Radio for Farmers

The Farmer (St. Paul) for May 6 says in an editorial: "The development of radio promises to be of tremendous interest to farmers, providing the cost of service does not become prohibitive. Because this development might interfere with other interests, it is more than likely that these interests will seek to hinder it through a control of patents or through legislation limiting the use of the ordinary types of apparatus to a point where the development of the radio will be seriously hampered. What is needed just now is a protest against legislation by Congress that will deprive the man with low-powered apparatus from receiving, or the State of Federal governments from sending out, market news of value to the farmer and business man."

Rural Credits

The Journal of Commerce for May 10 says in an editorial on rural credit measures: "Let there be no misunderstanding in the matter. There is undoubted need for improved rural credit facilities No reason exists why the proper sort of credit system should not be developed for the benefit of agriculture. To this the farmer is entitled, just as any other element in the business world should be provided with -- or should be allowed to provide for itself -- banking facilities which meet its legitimate needs -- assuming, of course, that demand exists for such a system sufficient to enable it to stand on its own feet. What is not justifiable from any standpoint and should not be permitted is a rural credit scheme which in one guise or another is based upon Government subsidy or aid to agriculture. Such is undoubtedly the nature of most, if not all, the 'plans' now put forward by the 'friends' of the farmers. Our Federal Farm Loan system, itself a surrender to the current 'special aid' philosophy, has, it is to be feared, opened the door to other measures of a like tenor. There is little reason to hope -- with deep regret be it said -- that politicians at Washington have in mind anything other than a frank subsidy to farmers in the way of credit facilities."

Tariff on Oils

Modern Farming for May 10 says in an editorial on "'Filled' Milk": "There has been a great increase during the past few years in the quantity of imitation, or 'filled' milk sold on our market. ... A large part of the vegetable oils used in making this inferior milk substitute are the cheaper, imported, Oriental oils. Congress can do much to safeguard the interests of the dairy industry, and improve living conditions among those classes of people who make up the consuming classes of canned milk products, by establishing a tariff on these imported oils which will make their use in this manner less profitable to the manufacturers. At the same time, they will be protecting the cotton, peanut, hog and dairy interests from competition with the cheap, coolie labor which produces these inferior oils."

Section 3.

Department of Agriculture

1. An editorial in Commerce and Finance for May 10 says in part: "Secretary of Agriculture Wallace painted a doleful picture of the effects of present freight rates on the farmer before the Academy of Political Science in New York recently. The theme of his plea was that the country has been built up by a system of low rates designed to encourage the movement of surplus agricultural crops long distances to manufacturing cities and a corresponding return haul of manufactured goods. Present rates, he said, impose a tax on the farmers of the surplus producing states which must inevitably reduce shipments to the East, causing the farmers to turn to the nearest water for export outlets. ... 'High rates,' he said, 'if persisted in, will keep us in a state of agricultural and business confusion for a long period.' Continuation of high rates undoubtedly would accelerate the westward movement of industry to which Mr. Wallace refers. But in the end it is the location of coal beds and of the most highly concentrated markets which determine the location of manufacturing. Raw materials and fuel, as well as food for labor,

enter into the making of goods, and if high costs of transporting coal offset high costs of transporting food industries are not likel to move. There has been a steady drift of manufacturing westward for many years, but the industrial center of the country is not likely to get far away from the Pennsylvania, West Virginia and Ohio coal fields for a long time to come."

Department of Agriculture

2. "There is one bill before Congress that should have the support of all producers and consumers of agricultural products, for all will be benefited by it. This is the Purnell bill, providing increased appropriations for experiment stations. The amount asked for by those who realize the need of research in agriculture is not large, but its potential benefits are beyond calculation. We might easily name several achievements of research, any one of which is worth many times more to the Nation than all the money spent on reaserch in the past. Appropriations for this purpose should be considered as investments, sure to make a tremendous return to the public. And Congress might better use some of the people's money in research than in free seeds and other things that are of no great or permanent good to the public." (Nat'l Stockman and Farmer, Apr. 29.)

Section 4.
MARKET QUOTATIONS.

Farm Products

May 10: Chicago grain market dull but undertone firm. Chicago July wheat higher at $1.24 1/8; Chicago July corn higher at 64 1/4¢. Better export demand reported; cash demand light. Corn held narrow range. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.38; No. 2 hard winter wheat $1.38; No. 2 mixed corn 62¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.34 1/2; No. 2 hard winter wheat in central Kansas $1.23.

Chicago hog prices about steady, bulk of sales $10.35 to $11.00. Beef steers down 10 to 15¢; medium and good grades $7.65 to $8.75. Butcher cows and heifers steady to 15¢ lower at $4.75 to $8.50. Sheep and lambs practically steady. Fat lambs $11.25 to $14.25.

Potato markets generally dull but steady; Floridas slightlyu weaker in most eastern markets; down 25 to 50¢ in New York and Cincinnati. General jobbing range $5.50 to $7.00 per bbl. Texas yellow onions slightly weaker in most eastern markets; general jobbing range mostly $2.25 to $2.50. North Carolina and Virginia strawberries up 2¢ to 3¢ per quart at 15¢ to 22¢. First car Florida watermelons at Pittsburgh 25 pound average brought $1,200 per car. Best hay grades generally firm in eastern markets, account very light receipts. No. 1 timothy lower at Chicago. Alfalfa receipts light; prices for better grades firm at Kansas City. Wheat mill feeds slightly weaker on light demand and resales by dealers and jobbers.

Butter markets slightly firmer at higher prices; stocks well cleared. Cheese markets generally steady; trading active.

Spot cotton down 3 points, closing at 18.61¢ per lb. New York May futures down 10 points closing at 19.63¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 10	May 9	May 10, 1921
20 Industrials	91.58	92.57	77.98
20 R.R. stocks	83.13	83.98	73.90

(Wall St. Jour., May 11.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 36. Section 1. May 12, 1922.

Governor Cooper for Farm Loan Board

Governor Robert A. Cooper of South Carolina was nominated yesterday by President Harding to be a member of the Federal Farm Loan Board, succeeding Asbury F. Lever, recently resigned. The unexpired term of Mr. Lever ends in July, 1924. (Press, May 12.)

Tariff Legislation

The most important congressional action in connection with the tariff bill May 11 was approval of a committee amendment proposing to remove ammonium nitrate from the free list and to make it dutiable at 1 cent a pound. (Press, May 12.)

Agricultural Credits to be Studied by Bloc

Chairman Capper of the farm bloc May 11 announced the designation of Senators McNary, Jones of Washington, Ladd, Kendrick, Harrison and Swanson as a committee to study additional and better credit facilities for agriculturists. Referring to this committee, David Lawrence says in The Washington Star for May 11: "Practically every farm interest was represented at the meeting. There were representatives of the National Grange, the Farm Bureau, the Farmers' National Council. Eugene Meyer, jr., managing director of the War Finance Corporation, took a prominent part in the discussion. The move is fraught with great significance. Senator Capper told this correspondent that a committee of the American Bankers' Association favored the plan of a new credit system for the farmer and stockman and that President Harding was favorably disposed to the idea."

Muscle Shoals

Chairman Norris, of the Senate Committee on Agriculture and Forestry, May 11 introduced a bill providing for a semi-Government corporation to take over and operate the nitrate and power projects at Muscle Shoals for fifty years. The measure was drafted by James T. Lloyd, former Representative from Missouri. In the House the Military Affairs Committee May 11 reached an agreement by which any lessee of the properties would be compelled to manufacture finished fertilizers whether at a profit or loss throughout the term of his operation. (Press, May 12.)

Howard Indorses Ship Subsidy

Indorsing the administration ship subsidy program, J.R. Howard, president of the American Farm Bureau Federation, at the Congressional joint hearings May 11, declared that an adequate American merchant marine would benefit the whole country, farmers as well as other classes. (Assoc. Press, May 12.)

Section 2.

Agricultural Financing

"Southern agriculture and possibly American agriculture is under-capitalized. Indeed American business and business enterpris are generally run on inadequate capital. As a new and growing country we have developed many enterprises on wind and nerve, or by shoe-string financing. To meet this condition we have developed a system of banking which has been something more than a medium to aid the exchange of products, but has served in a large measure as a source of capital for many growing and struggling enterprises, in their upbuilding. It is a system of banking built upon deposit money and organized to function for supplying the needs of merchandising and manufacture. The basis of the system is the short-time loan, thirty to ninety days, which may be called at the end of that time. It is claimed by some that one-half of the deposit money on which the system is operated belongs to farmers, but they are only able to obtain about 15 per cent in the form of loans. The farmer must have loans of from three months to three years, without danger or threat of these loans being called in less time. No country has ever secured adequate agricultural financing from a commercial banking system and America will not do so. Farmers will use for supplying a part of their needs the commercial banks, as they are maintained for commerce, but in addition they must have large sums of money for longer periods. Such banking is not as profitable as commercial banking, hence must be established on a basis of less profit, or by cooperation among farmers, by the Government, or through a combination of the two. ... Yet economical production is impossible in the South, until adequate financing is provided. But the greatest need of agriculture for a more adequate system of financing is for the orderly marketing of farm products. Here is a field more nearly comparable with commercial banking, but still the duration of the loan must be longer. A non-perishable product which is only produced once a year must not be forced on the market in August or September when harvested. The marketing of such a crop must not be finished until the end of a year. With products produced every day in the year, the problem of financing is much more simple, but when a product is only finished at one season, more capital for a longer time is necessary for the orderly marketing of that product." (Progressive Farmer, May 6.)

Federal Reserve Board Head

The Journal of Commerce for May 11 says in an editorial on "The Head of our Banking System": "According to newspaper reports, President Harding is being made the recipient of numerous communications from different parts of the country relative to the appointment of a governor of the Federal Reserve Board. ... The public of the United States evidently -- and this seemingly includes not a few bankers and financiers -- has not been educated to the point at which it regards this whole subject as of the first importance. That efficiency and honesty are the sole and only considerations that should figure either openly or privately in the selection of the officers of our banking system, and that when these qualities are lacking instant change should occur, ought to be axiomatic but is not. The time has come to make them so, and the action to be taken in the case of the governorship of the Federal Reserve Board -- the head of the system -- will be a precedent of utmost significance. Let political considerations enter in; let there be

question about party affiliations; let sectional prejudice, partisa disappointment among cotton producers or live-stock raisers or stoc jobbers and operators form a factor in the situation and the notion of non-partisanship and singleminded devotion to duty flies out of the window and the debauching of our banking system must follow."

Forestry

"Our Timber Supply" is the title of an editorial in Modern Farming for April 25, which says: "The timber resources of the Sout have long been recognized as one of our most valuable assets, and much has been said of the problem of replacing the rapidly disappear ing forests with some source of revenue to protect the future of th South. ... Mr. R.D. Forbes, Secretary of the Southern Forestry Congress, states that it requires in the neighborhood of twenty-five million wooden packages, or containers, each year to market the citrus and truck crops of Florida. It is impossible to forecast the future of the trucking industry there, but it is safe to say that it will never materially decrease. However, it is conservatively predicted that the output of citrus fruits will be trebled in the next ten years, with a corresponding increase in the amount of timber required to meet the needs of the wooden container manufacturers. Surveys of the available timber supply, and the growing crops of trees which will constitute the future supplies, have so convinced these manufacturers of the impending danger of having to import package construction material from more distant sections, that they are now actively engaged in supporting legislation and sentiment in favor of efficient reforestation of cut-over acreages and intelligent conservation of present timber stands. ... Louisiana has some excellent forestry laws; Mississippi has given some consideration to the work; some progress has been made in the desire direction. But there is room for great advancement, and we confidently look for the lawmakers to enact further safeguards."

Genoa Conference

The Associated Press to-day says: "Russia's reply to the allied memorandum, which was presented May 11 to Signor Schanzer, president of the economic conference, is generally regarded as conciliatory. At least it is considered a basis for further negotiations. Its suggestion that all the tangled financial problems be submitted to a mixed committee of experts named by the Genoa conference provides a means of escape from the present superheated atmosphere, which appears to be unfavorable for the settlement of the myriad questions arising on the Russian situation. England regards the reply as moderately conciliatory; so also does Italy. ... France expresses great disappointment at the reply and Belgium is far from satisfied. ... "

German Potash Industry

"Germany's potash industry must hold its old foreign markets and open new ones in order to meet competition, declares the Boersen Zeitung, adding that eventually export prices may have to be cheaper than those charged in Germany. It especially notes the chance of competition from Spain." (Berlin dispatch to N.Y. Times, May 11.)

Grain Freight Rates

Who is Who in the Grain Trade for May 5 says, in commenting upon the Purnell bill: "Its passage will, it is expected, accomplish several desirable things. It will simplify the present complicated tariffs which are each year becoming more and more difficult to read correctly."

Grain Grading in North Dakota

In an editorial on "New Grain Grading in North Dakota," The Dakota Farmer for May 1 says: "Grain grading will be maintained by the State of North Dakota. The railroad commissioners, in taking over the elevator accounting work as a result of the Grain Grading Law of 1919 being declared unconstitutional, called a meeting on April 12 at Bismarck, N.D., of people interested in grain marketing to learn at first hand the desires of the grain men and farmers in regard to what should be done. At the meeting, presided over by Frank Milhollan, it was brought out that the grain trade as well as the farmers desired that the State maintain a department to which anyone interested could send samples of grain for grading. Many also expressed the idea that the grain grading should be conducted so that the inspectors would have Federal licenses and so that the Federal grades could be put on the samples submitted when so desired. Many expressed themselves as desiring that the grain grading be done at the Agricultural College. The representatives of the North Dakota Farm Bureau Federation especially emphasized the desirability of the grading being done at Fargo. ... The North Dakota Grain Grading law was declared unconstitutional by the United States Supreme Court on February 27, 1922. That is the grain grading law of 1919. The decision also carried with it the laws of 1917 and 1918 as these contained the same provisions on which the 1919 law was declared unconstitutional. The keynote to the decision of the United States Supreme Court was that the grain is in interstate commerce when in the farmer's wagon at the local market, hence the State has no authority to license buyers of grain or to have any jurisdiction over them. The court contended further that Congress could make ample provision for protecting farmers at the local elevator. But Judge Brandeis in his minority opinion called attention to the fact that the Federal Government does not maintain a single inspector in North Dakota. ... "

Meat Consumption Campaign

The Progressive Farmer for May 6 says in an editorial entitled "Give Meat the Right Place on our Dinner Table": "The Holstein-Friesian Association has been outstanding in its efforts to popularize milk as a food, and without any definite figures as to the outcome of their campaign, we believe it has been worth while. The registry associations that are promoting the interests of the pure breeds among the meat animals can do much to combat the fight that is being made on meat. In fact, all of the organizations that would like to broaden the consumption of meat must take the offensive in an advertising campaign having as its purpose the replacing of meat on the pedestal from which it seems to have fallen. Not only is meat an excellent food, but we need the live-stock that produce it on our farms. However, live-stock production will not be maintained unless meat is accorded its right place on our dinner tables."

Ocean Rates

In an editorial on reduced ocean rates, The National Provisioner for May 6 says: "After exhaustive experiments shippers have found that during the summer months lines operating from Montreal may use fan-cooled holds, which enable them to maintain safe temperature in their ordinary stowage space, in which goods are handled by them at the ordinary cargo rate. These steamers, operating via the Northern route, afford the exporter an opportunity to reach British ports without the extra rate of 60 cents for cool air space."

Tariff Bill

New York Commercial May 11 says in an editorial entitled "What is an Honest Tariff Bill?": "There is, of course, only one way that this condition can be remedied and even an approximately honest tariff bill written, that being to delegate rate making to a tariff commission, just as the railroad rate-making power is delegated to the Interstate Commerce Commission. It will not then be a matter of the political fortunes of Senator This or Senator That, but it will be that rates will be made on the basis of the welfare of the public at large. That must of necessity include a reasonable profit for manufacturers and importers, but not an excessive profit. There will be no such thing, for instance, as placing an enormous duty on linen when there is practically no linen made in this country. Tariff making will become a scientific study instead of a political football. It seems a long way off, yet the people are beginning to think along such constructive lines, and they may suddenly demand it."

Wool Marketing

"A Farmer and His Wool" is the title of a statement by Paul Ives, county club agent of New Haven County, Conn., appearing in The New England Farms for April 29, which says: "A New Haven County farmer, in the spring of 1921, had a small flock of sheep. From them he sheared 116 pounds of wool. A dealer, otherwise known as a middleman offered him 16¢ a pound for it or $18.56. He said there 'was no market for it, but he would take it at that figure as an accommodation.' This was the best offer he received. The farmer did not accept the offer but pooled his 116 pounds in the wool manufacturing pool, organized by the State Sheep Breeders' Association. It cost him $49.59 for shipping, scouring, carding, spinning, weaving and other expenses and he received as a result 27¼ yards beautiful, virgin wool suiting , 7½ yards overcoating , and a bed blanket. He called a few neighbors and special friends on the telephone and sold his wool crop as follows: 27¼ yards of suiting at $2.75 a yard for $74.94; 7½ yards of overcoating at $4.50 a yard for $33.75, and one blanket for $10.00, which totaled $118.69. The farmer paid in legitimate expense $49.59 and received for his net clip $69.10. The dealer generously offered $18.56 and the farmer saved by doing it himself $50.54 and the consumer saved at least as much more."

Section 3.

Department of Agriculture

1. The Dakota Farmer for May 1 says in an editorial on "The New Grain Grades": "According to Secretary Wallace, the Department of Agriculture 'caused an exhaustive study to be made' under a special committee. The supposed new grades incorporated the result of the committee's recommendation. John Lee Coulter, president of the North Dakota Agricultural College, was frequently called to Washington to consult with Secretary Wallace. The Dakota Farmer Empire felt particularly fortunate in being represented by as able and capable a man as Dr. Coulter when matters of such vital interest to this section were under consideration. Dr. Coulter is a native of the Northwest and has given intensive study to all phases of grain grading and marketing. He is looked upon as being one of the well versed grain grading specialists of the country. The new grades, as proposed by Secretary Wallace, do not meet with the approval of Dr. Coulter. "

Department of Agriculture

2. "Changes in Wheat Grades" is the title of an editorial in Who is Who in the Grain Trade for May 5, which says: "Elsewhere in this issue will be found the announcement of the Secretary of Agriculture relative to the changes in the wheat grades. As will be seen the changes that are to be made do not affect winter wheat. They apply only to the white wheats with a 'sop' thrown to the spring wheat producers for political purposes. The changes in the white wheats are probably justified. They were made to satisfy the exporters on the Pacific coast. It seems that the coast dealers can not sell mixed wheat to the Japanese because the oriental mind shies at the word 'mixed.' ... Of course a rose with any other name smells just as sweet, but the Japanese do not think so. That being a trade fact the Department of Agriculture was no doubt doing the American exporters a service when it made the changes in the white wheats. If the orientals insist upon the 'rose' for a name why not give it to them? ... The motive behind the changes is, of course to secure more money for the producer, but this is impossible. The farmer can get more money for his wheat in but one way -- by improving the quality. Jacobson knows this and so does the Department of Agriculture, but still the old game of juggling with the standards goes on."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 11: Chicago May wheat advanced despite delivery of more than 200,000 bushels on May contracts; July wheat higher in sympathy, closing at $1.27; Chicago July corn higher at 65 1/4¢. Export demand good. Milling demand only fair. Closing prices in Chicago cash market: No. 2 red winter wheat $1.45; No. 2 hard winter wheat $1.45; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.33 1/2; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog prices down 10 to 20¢; bulk of sales $10.20 to $10.80. Beef steers steady to 10¢ lower; medium and good grades $7.65 to $8.75. Butcher cows and heifers steady to 15¢ lower at $4.75 to $8.50. Fat lambs about steady at $11.25 to $14.25. Potato prices slightly weaker in most eastern markets. Florida Spaulding Rose down 25 to 50¢ in Boston, Baltimore, and Philadelphia. General jobbing range $5.50 to $6.50. Texas yellow onions generally steady at $2.25 to $2.50. North Carolina lettuce $1.00 to $1.50 per bushel hampers at New York.

Best grades hay generally firm in eastern markets; lower grades dull. Alfalfa receipts light. Prices for better grades firm at Kansas City. Wheat mill feeds slightly weaker on light demand and resales by dealers and jobbers. Mills not pressing sales at current prices. Linseed mill production light with demand only fair. Butter markets steady. Receipts being cleared as soon as possible after arrival. Cheese markets steady to firm. Trading active at country points at distributing centers.

Spot cotton up 16 points at 18.77¢ per lb. New York May futures up 27 points closing at 19.90¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 11	May 10	May 11, 1921
20 Industrials	91.50	91.58	77.60
20 R.R. stocks	83.12	83.13	72.90

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 37. Section 1. May 13, 1922.

The Tariff Bill

Senator Simmons, Democratic ranking member of the Senate Finance Committee, declared May 12 that if the tariff bill is passed in its present form the business of the country will be plunged into a debacle from which it would require a quarter of a century to recover. Chairman McCumber, in charge of the bill, replying to some of the attacks of Senator Simmons, concluded with an appeal that Republicans who are "ready to assume all responsibility for the legislation" be permitted to pass it by those now engaged in filibustering. (Press, May 13.)

Bonus Legislation

A substitute bonus bill, introduced in the Senate May 12 by Senator Bursum, would provide 50 per cent cash payments, the balance due to veterans to be covered by certificates of indebtedness, payable in September, 1927, and drawing interest at 3 1/2 per cent. (Press, May 13.)

Foreign Trade

Greater foreign trade, combined with the ability of the American people to sell at home and abroad substantially all they produce and with industry operating approximately full time and full-handed, are the chief factors in recovery of prosperity in the United States. This was the closing thought of the Ninth National Foreign Trade Convention as expressed in the report of the general convention committee, adopted last night in Philadelphia. The report urged American financiers to grant loans abroad, but to insist that at least part of the proceeds be spent in this country. Development of trans-shipment trade was also advocated. Organization of Edge law banks, with large enough capitalization to insure success as debenture -- issuing and marketing banks, was declared essential, even if the amendment of the Federal Reserve law was a necessary step. Need for standardization of definitions of shipping terms and credit instruments, as well as ocean bills of lading, was stressed. Attention was called also to the need for clarity and uniformity in banking and foreign terminology, and support by the American people was declared to be the chief requisite for a successful American Merchant Marine. (Phila.Ledger,May 13.)

Genoa Conference

The New York Times to-day reports from Genoa: "The Genoa conference May 12 abandoned all hope of reaching an economic settlement with the Soviet Russian Government. It was the unanimous opinion of all the delegations that the Russian reply of May 11 made it impossible to do so."

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 8, to May 10, 1922, inclusive, it approved 61 advances, aggregating $3,033,000, for agricultural and live-stock purposes in 20 States. (W.F.C. press statement, May 11.)

Cotton

The Wall Street Journal for May 12 says in an editorial entitled "Explaining Cotton Figures": "... The Wall Street Journal has for more than a year pointed out the danger of a scarcity of cotton by 1923, but these official figures shriek that fact. They need no analysis. On August 1, 1921, there was a surplus in all the world of 14,135,000 bales of cotton, the growth of all countries By the first of August of this year the surplus will be 8,332,000 bales. This means that all the cotton raised in all the world last season has been used up already and by the first of August 6,000,000 bales of the old cotton will have been consumed. The mills of the world have increased their consumption 2,000,000 bales in a year. How much cotton the world will produce this year, or how much it will consume is not here predicted. But if the world production is the same as last season, then the new crop and the surplus of August 1 would make a world total of 23,529,000 bales. The Department of Commerce estimated world consumption at 21,000,000 bales for this year. If the world consume no more cotton this coming year than now, and raises no more than last year, the surplus at the end of July, 1923, would be 2,529,000 bales. This would last the mills of the world about six weeks. If they should be called upon to face the uncertainties of the 1923 crop with a supply of only six weeks the situation would be extremely unpleasant. This is the outlook which The Wall Street Journal says calls for a larger world production of cotton."

Crop Reporting

"Crop reporting seems to be no more reliable in Europe than in this country. There the crop reporting agencies represent buyers exclusively, and their whole interest is on the bear side of the market. This must affect their judgment in some degree. The reports of the 1921 cereal crops, sent out last fall, are now found to have been far too optimistic. Such reports naturally tended to depress the price of American wheat. Our own reports are prepared by a Government agency, but the blunders made last year in estimating the cotton crop will not soon be forgotten. Forecasting crop yields seems to be more difficult even than forecasting the weather." (The American Fertilizer, May 6.)

Foreign Trade

"Foreign trade is necessary for this country. We need an outlet for our surplus food and other products. There are some things which other nations may produce to better advantage than we can. We are now a creditor Nation, and there is need of an exchange of money and goods. This is not only good from a business standpoint, but the morals and habits of the world may be improved and developed through trading. America can not safely stand off alone. We represent an important and necessary part of the world. While all this is true, we must also remember that the best market and the best place for investing American money is here at home. Our foreign trade at best represents but a small fraction of our total business. Many reasons can be given for loaning money in Europe and developing

foreign business, but, first of all, we think our home enterprises should be developed. We are rapidly increasing in population, and the time is now in sight when it will tax our resources to feed and make comfortable our own people. If every one of our people could to-day have all that they need of food, clothing and necessary comforts, it is doubtful if our present crops could supply the need. As it is, thousands of town people go hungry, while thousands of farmers obtain barely the cost of growing their crops. There is waste on every farm caused by the inability, under our present business system, to obtain fair prices. We think these great questions of marketing and distributing our farm products should be settled before we spend much time over ship subsidies and schemes for foreign trade. Develop the home market first." (Rural New Yorker, May 13.)

Potash Tariff

The Rural New Yorker for May 6 says: "In spite of all that farmers have been able to do thus far, the new tariff bill calls for a high duty on potash for five years. This is a serious matter, and now or never is the time for farmers to make themselves heard from. For New Jersey farmers alone it will mean an extra investment of $2 to $2.50 on each acre of potatoes, and there can be no possible benefit except to a little group of manufacturers. Give them this protective duty for five years and they will claim it forever on the plea that they have extended their investments. There is nothing in sight at this time to justify any belief that America can produce all the potash our farmers need within 25 years, if ever. It is a clear and plain case of a handful of manufacturers asking the Government to help develop their business for them at the expense of the entire country, and to the hardship of thousands of farmers. Most of our workable potash deposits are in the Far West. Most of the soil and crops requiring potash are on the Atlantic slope, and it is here that this tariff must be fought. Every farmer who reads this should write at once to his United States Senator and urge him to vote against this potash tariff."

Reclamation

"The appropriation of $350,000,000 for reclamation is urged by President Harding. That means the development of irrigation projects, the reclamation of swamp lands and the putting into cultivation of cut-over lands. I have no idea as to how many persons could be sustained in comfort on the land that would be brought under cultivation by the wise expenditure of this amount of money but I have no doubt ten million would be a conservative estimate. Along with the development of production must go a far better and cheaper system of distribution. It will be of little benefit to produce a surplus of food if left to go to waste after it is produced because it can not be distributed to the places where it is needed on account of prohibitive freight rates." (Kansas Farmer and Mail and Breeze, May 6.)

Tariff

The special effect of the proposed permanent United States Tariff, not so much on import trade as upon export trade and American relations with foreign countries, will be discussed May 17 by Dr. W.S.Culbertson, vice chairman U.S.Tariff Commission, at the tenth annual meeting in Washington of the Chamber of Commerce of the United States. (Press statement, Chamber of Commerce of U.S., May 10.)

U.S.Grain Growers,Inc.

"A Word to the U.S.G.G." is the title of an editorial in Orange Judd Farmer for May 1, which says in part: "Up to the present time the most conspicuous energy displayed by the U.S.Grain Growers, Inc., has been expended in getting farmers to sign ironclad contracts to market their grain exclusively through the U.S.G.G. It has also been the most expensive work done, and the records show that in some states the cost of getting the contracts signed has been greater than the membership fees collected. ... If the organization will go ahead and give a service in handling and marketing grain that is cheaper and more efficient than is now available, there will be no need of asking for contracts. The grain will be voluntarily offered in a volume that will put the organization in full control of the grain trade. When membership dues are then collected they will not be dissipated in organization expenses, but will be available to help finance the actual operation of the business. Cooperative undertakings depend for final success upon ability to give service and profit to their membership, and this expensive concentration of effort in seeking the signing of ironclad contracts instead of inaugurating service, is not the road to permanent success. The two great and successful Canadian cooperative grain marketing companies do not find it necessary to require their farmer membership to sign up any kind of a contract. Upon service alone they have built up a constantly increasing and tremendously successful business."

Wool

"Paralyzing conditions in the wool market last year did more to put the wool growers on a forward business basis than any one stimulus the sheep industry has ever had. Figures on the cooperative wool pools for last year show that several new states were added to the list of those which are organized for the sale of the farmers' wool. In fact, 18 States are now pooling the clip and more are in process of organization. So effective was this cooperative effort last year that forty million pounds or nearly a ninth of all the wool produced on American farms was marketed through the growers' own organizations. The managers of these wool pools showed a resourcefulness in making the best of a stagnant market that is decidedly to their credit. In Pennsylvania, for instance, the pool made up 30,000 pounds of its pooled wool into bed blankets, motor robes and horse blankets. New York State, which has been pooling its wool over a longer period, had a much bigger turnover, and made up various woolen materials, including suitings. One of the middle western states went in the manufacturers' business in a large way, and even employed tailors to manufacture suits for its members on order. With old stocks of wool well out of the way this spring the outlook is much brighter this year for the wool producer." (Amer.Agriculturist,Apr.29.)

Section 3.

Department of Agriculture

Commenting upon the Supreme Court's decision on the Packers and Stockyards Act, The Indiana Farmer's Guide for May 13 says: "Thus is the matter settled and both commission men and traders must abide by the decision, even though it may not be to their liking. It is only fair to say, however, that commission men have undergone a change of sentiment since the suits were begun last November and that most of them are now willing to cooperate with the Secretary of Agriculture in the enforcement of the law. Public statements issued by the livestock exchanges indicate that the Supreme Court decision has been favorably received by the market, in fact, there is a feeling of relief over the removal of doubt as to the authority of the law."

Section 4.

MEETINGS, HEARINGS AND VISITORS.

Among the representatives from foreign countries who expect to attend the Plant Quarantine Conference to be held by the department on May 15 are: Representing Belgium -- Mr. Charles Pynaert, president of the Belgian Chamber of Horticulturists, and Mr. Louis Sander, of Sander & Co.; from Holland -- Dr. Van Poeterer chief, Phytopathological Service, Dr. Van Slogteren, member, Phytopathological Service; Mr. T. Dykhuis, expert from Boskoop, Baron de Vos van Steenwyk, acting commercial attache, Netherlands Legation; representing England -- Mr. W.G. Lobjoit, Comptroller of Horticulture of the Ministry of Agriculture and Fisheries of Great Britain.

Section 5.

MARKET QUOTATIONS.

Farm Products

May 12: Chicago wheat market unsettled; Chicago July wheat lower at $1.26 1/8; Chicago July corn lower at 64 1/2¢. Cash trading basis firm with better demand for lower grades. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.45; No. 2 hard winter wheat $1.45; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.36 1/2; No. 2 hard winter wheat in central Kansas $1.30.

Chicago hog prices down 5 to 10¢, bulk of sales $10.20 to $10.75. Medium and good grade beef steers steady at $7.65 to $8.75. Butcher cows and heifers steady at $4.75 to $8.50. Spring lambs strong to 25¢ higher; fat lambs $11.00 to $13.85.

Potato market slightly weaker; prices down 5 to 10¢ in Chicago and Pittsburgh at $1.50 to $1.65. Florida Spaulding Rose slightly weaker in Chicago, New York and Cincinnati at general jobbing range of $5.25 to $6.25. Texas yellow onions steady in most eastern markets. Strawberries also steady; under liberal supplies. Northern type sweet potatoes steady at general jobbing range of $1.75 to $2.50. Florida tomatoes; best sizes up 25¢ in New York at $3.00 to $3.50. Hay market very quiet with prices practically unchanged. Receipts especially of good hay are light; demand also light. Feed market very sluggish; transactions small. Wheat mill feeds weak. Some demand for spot bran but very little inquiry for deferred shipments.

Butter markets weak. Undertone sensitive and further weakness may develop if there are signs of accumulation. Cheese markets continue steady to firm.

Spot cotton up 5 points, closing at 18.82¢ per lb. New York May futures down 3 points, closing at 19.87¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 12	May 11	May 12, 1921
20 Industrials	92.50	91.50	77.57
20 R.R. stocks	83.44	83.12	73.10

(Wall St. Jour., May 13.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 38. Section 1. May 15, 1922.

Roads Bill

The House May 13 voted to eliminate from the Post Office Appropriation bill the Senate amendment providing $50,000,000 for the construction of post roads during the fiscal year 1923 and $65,000,000 for the fiscal year 1924, and $75,000,000 for 1925, with $7,500,000 for forest roads for each of the fiscal years 1923 and 1924. Through a motion by Representative Slemp, the House substituted the provisions of the Dunn Road bill, which recently passed the House, making available $65,000,000 for the fiscal year 1923 and $75,000,000 for 1924 for post roads, and $6,500,000 for forest roads for the fiscal year 1924. (Cong. Rec., May 13.)

Muscle Shoals

Acceptance of Henry Ford's offer for purchase and lease of the Government's properties at Muscle Shoals, Ala., would amount to presentation by the Government to the Detroit manufacturer of "a sheer, outright subsidy," O.C. Merrill, executive secretary of the Federal Waterpower Commission, declared May 13, before the Senate Committee on Agriculture and Forestry. (Press, May 14.)

Governor Harding Indorsed as Federal Reserve Head

A resolution urging the reappointment of Governor Harding of the Federal Reserve Board, at the expiration of his term this coming August, was passed at the closing session of the New Jersey Bankers' Association at Atlantic City, May 13. (N.Y. Times, May 14.)

Genoa Conference

The Associated Press reports from Genoa to the press of to-day: "The Italian Foreign Minister, Signor Schanzer, who is president of the economic conference, called on Ambassador Child May 13 and handed him a formal invitation to the United States Government to participate in the newly arranged Hague conference on Russian affairs in June. The decision to reconvene the economic conference at The Hague and to postpone action on Russia till then was prompted largely by the desire of the European Powers to induce the United States to participate. The plight of the conference with reference to Russia apparently has convinced all the delegates that nothing of a permanent and international nature can be undertaken for Russia's reconstruction without the cooperation of the United States, whose wealth, resources and political power, they contend, make her indispensable to any great world-restoration movement."

Section 2.

Agricultural Financing

"Poisoning the Farmer's Mind" is the title of an editorial in The Wall Street Journal for May 13, which says: From the 'Messenger' of Fremont, O., which, it is fair to say, seems to be republishing an editorial from the 'Democrat-Argus,' the following extract is taken: 'Call money for use in speculating on the New York Stock Exchange is obtainable in unlimited quantities at 3½ per cent on collateral liable to shrink 20 per cent in a day, and it is loaned up to 80 per cent of the market value of the stock, but if a farmer wants a loan on his farm he has to pay more than twice this rate, together with a commission, has the greatest difficulty obtaining a loan and then can not borrow in excess of 50 per cent of the value of the land.' Dangerous stuff of this kind is being peddled to the farmers all over the country, and apparently no country banker feels any duty incumbent upon him to set these teachers right. Their aggregate circulation is enormous, and the farmer can not tell how grossly he is being deceived. Perhaps some of the many country bankers who read these columns can be awakened to their responsibility. Call loans in Wall Street are not made on 'collateral liable to shrink 20 per cent in a day.' The collateral which secures them is mixed, and if one security should drop to that extent it would be replaced by something more stable before the market closed. Call money collateral is kept good by substitution and addition. It is absolutely safe, and the lender can have his money any day he wants it. ... ... But the farmer borrowing on a mortgage must have his money for a long term. There is always the risk of a possibly ruinous foreclosure; and if the banks here mentioned are loaning up to 50 per cent of what the farmer hopes his land is worth, they could wisely reduce that amount. Not long ago The Wall Street Journal editorially asked for communications from farmers who think they have been treated with injustice. ... Many hundreds of applications have been received. Certain meritorious cases have been referred to the War Finance Corporation, the Federal Reserve Board and the Farm Loan Board. But in the overwhelming majority of these cases the loan proposed had not a scintilla of merit. The farmer was willing to borrow all anyone was willing to lend him, but failed to understand the responsibility to repay the loan. The faith in luck was almost pathetic. Can not these farm journalsteach the farmer a little common sense? ... Wall Street's call loans are made at 3 per cent because there is absolutely no risk. The farmer is charged, in many cases, 9 per cent, and more, because there are all sorts of risks -- not the least of them the farmer himself."

Casein Tariff

The Pacific Dairy Review for May 4 says in an editorial on "Duty-Free Casein": "The advantage that the manufacturing industries of the country have always enjoyed through tariff legislation crops out in the bill now pending in the United States Senate. Those speaking for the dairy industry of the country have expressed their satisfaction with the rates proposed in this bill for dairy products. However, an unfortunate slip-up has occurred on one dairy product. This is on casein made from skim-milk, which the tariff bill proposes to admit free of duty. Casein production has become a big item in the dairy industry. ... Congress proposing to make an exception to this dairy product by admitting it free, is inconsistent and unreasonable. It is evident that casein buyers have more influence in Congress than the dairymen out of whose milk it is produced."

Cooperative Marketing

Farm and Ranch for May 13 says in an editorial: "American farmers have gone into business, and they have not been pikers about it either. Notwithstanding the vast amount of propaganda circulated by interests opposed to cooperative marketing of farm products, thousands of farmers have joined forces in commodity organizations with a determination to force consideration in the distribution of their products. Some of the smaller organizations have already enjoyed a fair measure of success, but, generally speaking, the cooperative marketing movement being undertaken on a large scale has yet to prove itself as the correct solution of the farmer's selling problems. Organized farmers are entering upon a crucial period. This year will prove the most important in the history of years of effort to establish the agricultural and live-stock industries on a business basis insofar as distribution is concerned. Organization managers and sales agents are on trial. ... Cotton marketing associations, members of the American Cotton Exchange, with headquarters in Dallas, have contracts for the handling of approximately 2,000,000 bales, based on a normal yield, or $150,000,000 worth of staple on an averag price of 15 cents for middling. No other organization in the world has ever controlled the sale of such a large number of bales of actual cotton in a single year. The American Wheat Growers' Association has contracts for the marketing of 100,000,000 bushels of wheat, while the United States Grain Growers' Association, numbering 57,000 individual growers, controls 125,000,000 bushels of wheat, corn, oats and other grains. All of these associations are growing in membership and will be in the market this year. Just what the results will be can not be foretold, but the prospects for success seem to be bright enough to cause considerable worry among those who have prospered in times past in the handling and distribution of these commodities. The speculator in grains and cotton imagines he sees 'the handwriting on the wall,' for successful cooperative marketing means a stabilization of prices, the thing most feared by men who place daily bets on the course of the market. Small fluctuations make gambling unprofitable." (Farm & Ranch, May 13.)

Corn

"The disappearance of corn is said to be unprecedented. From November 1 to May 1 receipts of corn in Chicago were 103,821,000 bushels, but stocks at the end of that period showed an increase of only 2,049,000 bushels. Thus Chicago distributed over 100,000,000 bushels of corn in five months. The figure for the corresponding time last year was 63,000,000 bushels. The primary markets this year show an absorption of 197,000,000 bushels, while last year the absorption was 125,000,000 bushels. Last fall the farmer's problem was what to do with his corn. Evidently he solved the problem, for the corn went somewhere. His problem next fall may be where to get corn to feed all the hogs and steers cheap corn and high live-stock prices induced him to raise. Possibly this will be another good corn year, but when we remember that three bumper corn crops seldom if ever come in succession and that we have already had two, we can understand why the talk of universal corn acreage reduction is not so loud in the land at the present time." (Nat'l Stockman and Farmer, May 13.)

Dairy Products Consumption

"The improvement in the prices for dairy products and the favorable outlook for the future along this line are impressing themselves forcibly upon both producers and dealers. We wonder if all of them realize the extent to which increased consumption is contributing to this situation, or whether they appreciate some of the agencies that have contributed to this result. It is now several years since the leaders in the dairy industry came to a realization that there existed a great opportunity to increase the consumption of raw milk to the benefit of the industry but infinitely more so to the benefit of millions of improperly nourished children. A nation-wide campaign of education and advertising was inaugurated with the result that an immense increase in the consumption of milk followed. ... There has also been an increase in the consumption of butter as a result of the consuming public having become educated to the fact that dairy products are an essential food. Cheese alone is the one dairy product in which the opportunity to increase its consumption has been overlooked. What has been done for milk, ice cream and butter could be done for cheese. All that is needed is the necessary backing for our dairy councils and other agencies that have made the start and demonstrated the possibilities that exist in the boosting of dairy products." (Pacific Dairy Review, May 4.)

Employment Situation

April has shown the greatest gain in employment throughout the country of any month since the first of the year, E.E.Hunt, secretary of the President's conference on unemployment, declared May 12 in a statement. Employment, he said, is showing a steady and sustained gain. Reports from 34 States and the District of Columbia, he said, showed that for every 100 jobs listed during the month there were 150 applicants, as against 182 in March, 205 in February, and 226 in January. This, he added, is a decrease of 33 per cent over the number applying for work during the first four months of the year. (From the statement.)

Farmers and Ship Subsidy

The Wisconsin Farmer for May 11 says in an editorial entitled "Real Farmers not for Ship Subsidy," based upon the approval of the Federal aid plan recently expressed by J.R. Howard, president of the American Farm Bureau Federation: "Notwithstanding what Mr.Howard is said to have set forth in his telegram, I do not believe that one farmer in ten or one farm bureau member in ten is in favor of a subsidy for wealthy shipowners. Mr. Lasker is wrong when he imagines that the Howard telegram marks the end of half a century of opposition to a ship subsidy on the part of the American farmer. No such optimism is justified. My guess is that before the question is finally settled, it will be found that the American farmer, if once he gets at the facts, has only started to fight. This same American farmer, who, for the last year or more, has passed through an experience which he hopes never to see repeated, is in no mood and in no financial condition to sanction subsidies, whether they be to railroad owners or to ship owners. ... I hope that every farmer will at once acquaint himself with the terms of the proposed ship subsidy and if he does not favor this form of gift to the rich, this gross favoritism for the few, this expenditure of public funds for private gain, that he will communicate with his congressman. ... I can not believe that the farmers are for a subsidy. I will never believe it until they themselves say so."

Freight Rates and Live Stock

The Nebraska Farmer for May 13 says in an editorial entitled "Penalizing the Purebred Breeder": "A serious injustice in freight rates, which is in need of immediate readjustment, is the excessive charge on purebred live stock in less than carload lots. With purebred live-stock prices at their present level the transportation charge on an individual animal shipped across the State of Nebraska amounts nearly to one-third of a purchase price of $150. ... These are problems that should have the immediate attention of our State Railway and Interstate Commerce Commissions. The purebred live-stock industry means too much to this country to have its extension restricted through such discriminating rates as these. The penalties levied against shippers of one or two animals are so severe as to restrict the expansion of purebred stock into territory where it would go were the rates more reasonable. Canada protects her live-stock industry by making a one-half rate on shipments of purebred stock in less than carlots. United States breeders deserve a similar consideration."

Rail Refrigeration

Engineers representing leading railway systems of this country and Canada will speak on the problems of railroad refrigeration under the auspices of the Railroad Division of the American Society of Mechanical Engineers in New York May 16. (N.Y.Times,May 14)

St.Lawrence Waterway

The Indiana Farmer's Guide for May 13 says: "For months there has been much discussion between the east and the west over the proposed Great Lakes-to-the-Ocean waterway project. The eastern spokesmen, mainly New Yorkers, have been almost unanimously opposed to the proposal while the westerners have been generally strong for the measure. In the light of these facts the recent statements of Gustav Lindenthal, a noted bridge builder and authority on transportation both in New York and beyond,in Collier's Weekly, are worthy of note. 'New York City,' he writes,'is the most expensive of all cities to get freight into. It is the horrible example. There is no large city in the country where the loading and unloading of the goods and the necessary incidental transport does not involve an expense comparable with the railway freight charges across half the continent.' ... Mr. Lindenthal goes on to say,'The railway is not the best method of transporting heavy bulk freight, if there is a proper waterway at hand.' Here we have a New Yorker, an authority on his subject, a man widely known for his astonishing engineering feats, stating unbiased opinions, not for the benefit of New York alone but for all America. Mr. Lindenthal is a New Yorker who can see clearly beyond New York."

Section 3.

Department of Agriculture

The Utah Farmer for May 6 says in an editorial: "Secretary of Agriculture,Henry C. Wallace, has called a hearing in Washington on May 15 to consider the request of 40 nursery importers to remove Quarantine No. 37. ... Bearing in mind past experiences with the corn borer, codling moth, San Jose scale and other pests, the Farm Bureau will stoutly oppose the removal of any quarantine designed to protect the growers. Indeed the Farm Bureau is in favor of tightening quarantine regulations rather than removing them."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 13: Chicago wheat market nervous with flashes of strength followed by quiet reaction and weakness. Chicago July wheat lower at $1.25 1/8; Chicago July corn lower at 64¢. Closing prices in Chicago cash markets: No. 2 red winter wheat $1.43: No. 2 hard winter wheat $1.43; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 48½; No. 1 dark northern wheat in central North Dakota $1.39 1/2; No. 2 hard winter wheat in central Kansas $1.30.

Chicago hog prices up 10 to 15¢, bulk of sales $10.50 to $10.75. Cattle, sheep and lamb prices practically unchanged. Medium and good beef steers $7.65 to $8.75. Butcher cows and heifers $4.75 to $8.50. Feeder steers $6.25 to $7.85. Light and medium weight veal calves $7.25 to $9.75. Fat lambs $11.00 to $13.85. Potato markets slightly weaker. Prices in Chicago market $1.45 to $1.60. Florida Spaulding Rose up 25¢ in New York and Cincinnati at general jobbing range of $5.50 to $6.00 per bbl.; down 25¢ at shipping points. Texas yellow onions slightly weaker in most eastern markets at general jobbing range $2.00 to $2.25 per standard crate. Strawberries slightly weaker at general jobbing range of 20 to 22¢; supplies liberal. First car watermelons at Kansas City, average 16-20 lbs. 7¢ per lb. Florida tomatoes, best sixes steady in New York at $3.00 to $3.50. Spot cotton unchanged at 18.82¢ per lb.; New York May futures down 3 points, closing at 19.84¢.

Chicago July wheat uncertain throughout week but closed at net gain of 1 1/4¢. Chicago July corn unchanged; cash and export demand slow first part of week but improved latter half. Lower foreign markets early in week were also a factor. Northwern round white potatoes dropped 5 to 10¢ in Chicago carlot market closing at $1.45 at $1.60. Prices down 25 to 30¢ at north central shipping points. Florida Spaulding Rose dropped 75¢ to $1.00 in most northern markets at $5.50 to $6 per bbl.; down $1 at Hastings at $4 f.o.b. Texas yellow onions down 25¢ in northern markets. Strawberry prices lower under heavy supplies, especially in New York and Chicago. Moderate demand for North Carolina head lettuce. Hay market very quiet with prices practically unchanged; demand light; country holdings reported light. Feed market very sluggish; transactions small. Wheat mill feeds weak. Some demand for spot bran but very little inquiry for deferred shipments. Butter markets weak at close after holding steady to firm throughout the week. Undertone sensitive and further weakness may further develop if there are signs of accumulation. Cheese markets steady to firm with active trading at country points and distribution centers.

Chicago hog prices up 5 to 10¢. Beef steers and butcher cows and heifers practically steady. Feeder steers slightly higher; veal calves up 75¢ to $1. Sheep and lamb prices sharply lower. Spot cotton up 81 points; New York May futures up 54 points. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 13	May 12	May 13, 1921
20 Industrials	92.93	92.50	77.19
20 R.R. Stocks	83.90	83.44	72.89

(Wall St. Jour., May 15.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 39. Section 1. May 16, 1922.

Future Trading Act's Taxing Clause Declared Invalid

Section 4 of the Future Trading Act and the other parts of the act which are interrelated with the taxing of provisions of that section were held unenforceable by the Supreme Court in an opinion delivered by Chief Justice Taft May 15. Justice Brandeis dissented. Section 4 imposed a tax of 20 cents a bushel on future trades in grain when made on exchanges not designated as "contract" markets subject to Federal control or when not made by actual owners of the grain, or by the owners or the renters of land upon which the grain is to be grown. The court, however, held that its decision did not invalidate section 3, which imposes a tax of 20 cents per bushel on "puts and calls" and similar transactions, or section 9 which provides for investigations by the Secretary of Agriculture of grain marketing generally. Section 11 of the act provides that if any section shall be declared invalid it should not affect the validity of the remaining sections. (Press, May 16, corrected by Office of Grain Future Trading Administration.)

Tariff Rates

The Senate May 15 refused to increase the Finance Committee's tariff rate of 6 cents a pound on citrate of lime, rejecting an amendment of Senator Johnson to make the rate 9 cents. The Senate also approved the committee duty of 18 cents a pound on citric acid. Senator Johnson had urged that this rate be increased to 20 cents. Committee rates of 60 cents a gallon on olive oil in containers weighing not more than 44 pounds and 50 cents a gallon on all other such oil, were approved. (Press, May 16.)

Flood Relief Legislation

Representative Rhodes May 15 introduced a joint resolution in the House authorizing the appropriation of $2,000,000 for relief of farmers made destitute by floods in the Mississippi, its tributaries, and other rivers. (Press, May 16.)

Borah Favors Soviet Recognition

Senator Borah May 15 introduced a resolution for recognition of the Soviet Government of Russia. (Press, May 16.)

Russian Conference Invitation Declined

President Harding has declined the invitation of the Powers to the United States to participate in the prospective Hague conference on Russian affairs to be held next June. The formal invitation extended by the Governments of Italy, Belgium, Great Britain and Japan was received at the White House yesterday morning and the President directed Secretary Hughes to decline it. (Press, May 16.)

Section 2.

Agricultural Production and Consumption

"At the present time we seem to be consuming about 70 to 80 per cent of our wheat crop and 80 to 90 per cent of our hog crop at home. The wheat and hog products which we ship abroad, however, have a great deal more to do with prices than the much larger quantity which we consume at home. The corn belt farmer and the wheat farmer realize for their products the European price less the freight and other expenses in transporting the product from the farm to the European consumer. The American farmer in effect sells his food products in a world market which is unprotected and buys his manufactured goods in the American market which is heavily protected. The situation as it exists to-day can not long continue. The protection which we have given to manufacturing industries by means of tariff in the United States has served to build up a much greater industrial population in our cities than would otherwise be the case. We are rapidly approaching the time when there will be so many people in our cities that it will only be in an exceptional year when we shall have anything left over to ship to Europe. ... The point which we are trying to make is that the far distant future is decidedly hopeful from the standpoint of the American farmer, and that while the next year or two may witness far better times than we have been having during the past year or two, yet the situation as a whole may continue rather bad for ten or twelve years. During this trying period it would apparently seem to be a wise thing for American farmers to avoid producing too much of a surplus to sell on the European market. When Russia gets back into growing wheat again on an export basis, our wheat farmers will have before them a very serious problem in the matter of reducing acreage. This will affect the corn farmers in such States as Illinois, Indiana and Ohio for there will be a tendency to put much wheat land back into corn. ..." (Wallaces' Farmer, May 12.)

Canadian Conditions

A statement from Ottawa to the Commercial and Financial Chronicle for May 13 says: "The Prairie West of Canada stands badly in need of an invigorating tonic. A big 1922 crop at nothing better than 1921 prices would prove of small service. A few days ago C.M. Hamilton, Minister of Agriculture of Saskatchewan, declared that carefully prepared statistics showed the average per capita loss of Saskatchewan farmers in 1921 to be $1,885. This meant, of course, that maturing loans and interest payments were not met in thousands of instances and the farming fraternity as a whole were 'carried' by banks, mortgage companies and retail and wholesale merchants. The most critical element in Western agriculture is the poor condition of live stock after a winter's feeding on meager rations. A very heavy loss of cattle and horses has resulted. The ill luck of a late spring and several snow storms cut down the livestock inventory quite beyond anticipation. The late spring losses were the worst. Hay advanced from $14.50 last fall to $35 in April this year and was difficult to get at that. In the Eastern provinces of Canada, the situation is much better. Adverse weather has not been such a factor and stores of stock feed generally were ample. Dealing with conditions throughout Quebec a few days ago, a report of the Canadian Manufacturers' Association declares that 'business is in a healthier condition than six months ago and a steady improvement in all sections may be expected.' "

Crop Reporting

"There is so much nonsense going the rounds nowadays about crop reporting and much lambasting of the Government Crop Reporting Board by people who know very little practically of the subject that we need not apologize for reprinting on another page the Bartlett Frazier Co. circular on that subject explaining how it originated and what crop reporting means. We assume that it was written by B.W. Snow, who has long been associated with the company as crop expert. ... Crop reporting to be worth anything to anybody must be the work of men thoroughly trained to it, and it is not to be expected that amateurs without any training or experience can put out crop information 'on their own' of a character worth anyone' consideration. There are many observers of local crop conditions who are intelligent, who travel through the wheat belt and the corn belt during the growing season, reporting on what they see and collecting data of more or less value for their specific purposes, but that is not a complete or true crop reporting service. Of the real crop experts whose private work is of national scope and of a nature to bear comparison with that of the Government itself there are but two, B.W. Snow and P.S. Goodman, both of Chicago, whose reports are accepted by the grain trade as of a dependable quality second only to that of the Government itself." (Price Current-Grain Reporter, May 10.)

Farmers and Ship Subsidy

Wallaces' Farmer for May 12 says in an editorial: "We wonder if the members of the American Farm Bureau Federation are really as much in favor of ship subsidy as President Howard thinks. As a result of Howard's letter in support of ship subsidy, the newspapers of the East now seem to think that the farmers are now lined up solidly behind the subsidy. This is not true. The only excuse for a ship subsidy is to develop a merchant marine which can be of help to our navy in time of war. As a disguised naval appropriation, a ship subsidy may be worth while. However, we very much doubt if any one representing the farmers is really in position to express a competent opinion on this particular matter. ... In the long run, the corn belt farmer has very little reason to be interested in the subsidized merchant marine. Within a relatively short time, our corn belt farm products will all be consumed at home, and our chief interest in ocean freights will be the freights on Argentine and Australian farm products coming into the United States rather than the freights on corn belt farm products going to Europe. ... "

Farm Practice

"For Better Farming Methods in the Northwest" is the title of an editorial in Commercial West for May 13, which says: "The so-called semi-arid region of the Northwest, long stigmatized by this misnomer in governmental publications and otherwise, is about to come into its own. Adversity generally has some compensating characteristics, and to adversity can be credited much of the excellent work now being carried on in Montana, North Dakota, and other sections of the Northwest to make the soil productive and bring benefit to those who cultivate it. ... The Montana Development Association, an organization with its branches extending into all sections of the State, has been doing enormous good through the holding of educational meetings and through its supervision of soil cultivation. Summer tillage is now the by-word of the successful Montana farmer. It is no complicated system, neither is it a lazy

man's job. It involves plowing, discing, surface packing, and a careful mulching of the soil so as to prevent evaporation of the moisture and to direct the same into plant nourishment. No longer need Montana farmers fear total failure of crops. They have learned a lesson in conservation, in soil culture and in crop growing that gives them renewed confidence and assures them success. Not alone is the campaig in Montana solely devoted to conservation of moisture and the proper tillage of the soil, but also includes advocacy of diversified farming, dairying, hog raising and kindred lines. Perhaps Montana affords the best example of these advanced methods of getting the most from the soil without robbing it of its essential fertility. However, in the Dakotas, in Wyoming and Idaho much progress is being made in a similar way, this all spells a greater agricultural Northwest, and means billions of dollars more wealth annually created for the Nation."

Land Reclamation

Farm and Ranch for May 13 says in an editorial entitled "Land Enough and to Spare": "There is an insistent demand from many sources to reclaim overflowed land or store water for irrigating arid lands that larger acreage may be put in cultivation to increase the production of food and fiber. Politicians, and those immediately interested, find it easy to issue bonds, increase taxes and spend the money that many unnecessary, even unworthy, projects may be promoted, requiring enormous sums of money to complete. Crops produced from land 'put under cultivation' by draining, levees and dams often fail to pay interest on bonds when sold at prevailing prices. More often, those who cultivate these additional acres, utterly fail in securing enough for their products to pay any profits on their investments and labor. Both farmers and general taxpayers fail in making profit, or securing returns, in many instances, sufficient, if all was applied to the purpose, to pay interest on cost of construction. ... Unless a halt is called in public expenditures, taxes, already a grievous burden, can not be raised sufficiently and collected, to secure money to pay interest on indebtedness. ... When our Governments -- National, State, county, and city -- borrow one dollar it costs the taxpayers three. If all the land now under cultivation were performing to anything like its full efficiency, unless we could find new markets and better prices for the products, those producing would only be more greatly penalized for rendering the world's most needed service."

Live-Stock Financing

The National Stockman and Farmer for May 13 says: "A year ago the live-stock industry was staring black disaster in the face. So desperate were stockmen that, after a series of conferences, $50,000,000 was pledged to finance them. Of this sum $20,000,000 was used in loans, most of them west of the Missouri River. Now the Livestock Growers' Finance Corporation, which has charge of these loans, announces that all but $9,000,000 has been repaid. Instead of borrowing this spring the stockmen are paying back -- a most healthy sign."

Live-Stock Marketing in Oklahoma

"The Oklahoma Livestock Raisers' Association" is the title of a new cooperative organization which is now being talked about by Oklahoma feeders and breeders. An organization committee of prominent live-stock men has been formed, headed by T.J. Leahy of Pawhuska as chairman. The organization committee proposes to solicit memberships

in the association on the basis of a life membership fee of $10. It is planned to have the association operate a live-stock commission sales company at the Oklahoma City stockyards, furnish serum and vaccine at cost, organize local shipping associations to cooperate with the commission company and also to handle stockers and feeders at country points, act as agents for members in buying feeds, collec railroad claims, look after live-stock legislation, and in other ways make itself useful to the members. Its principal activity is expected to be the handling and sale of live stock, on a cost basis, at the Oklahoma City yards." (Oklahoma Farmer-Stockman, May 10.)

Prices

Roger W. Babson asserts in a statement on "Why Retail Prices of Commodities Continue High Despite the Great Decline in Wholesale Prices": "Statistics indicate that the retailer has not yet made the readjustment which has been made by the wholesaler. This is an established fact, and it is useless for retailers to claim otherwise. Whether retailers are to blame for not making this readjustment is, however, a debatable question. My investigations thus far lead me to believe the retailer is not to blame, but is a victim of certain economic changes which have taken place during the past few years." (Wash. Star, May 15.)

Wool Marketing

"Ninety per cent of the season's clip in Oregon has been sold, approximately 7,000,000 pounds. Western Oregon, still coming into the market, remains. Most sales have been for shipment to Boston and Philadelphia at steadily rising prices. Two choice clips of central Oregon have brought between 38 and 40 cents a pound, but the bulk of the wool sold has been at around 35 cents. Only the best clips brought extreme prices. Average prices are double a year ago." (Portland dispatch to press, May 15.)

Section 3.

Department of Agriculture

In an editorial on the Packer and Stockyards Act, The Price Current-Grain Reporter for May 10 says: "The law contains nothing that the exchange rules do not provide for, the violation of which is made 'uncommercial conduct' and places in jeopardy memberships worth each a great deal of money. The law can not force cattle or live-stock prices upward; it can not force a buyer to pay a butcher beef price for a canner; it can not force greater consumption of meat. The eater of meat says what he will eat and what he will pay for what he buys and that settles it. The act will be enforced and to enforce it will make a lot of nice jobs for nice young men from the agricultural colleges; but that cattle raisers will be any more content now that the Secretary of Agriculture is bossing the business of the yards than they were before is hardly to be expected; but the reformers will temporarily be as happy as the holders of the new jobs. And Uncle Sam will pay for the luxury of having them stand by and watch the wheels go round. ... This legislation illustrates again the old saying that legislatures, like reformers, are always most active to promote reforms by law when the need for such laws has passed away."

Section 4.
MEETINGS, HEARINGS AND VISITORS.

A meeting of the Library staff of the department will be held Thursday afternoon, May 18, at 3.30, in the Reference Room of the Main Library. Dr.C.J.West will talk on the work of the National Research Council.

Dr. Elwood Mead, of the University of California, is in Washington, heading a commission charged by the California Legislature to gather facts on higher agricultural education. He can be reached at the Cosmos Club.

Section 5.
MARKET QUOTATIONS.

Farm Products

May 15: Wheat trade limited with rapid fluctuations. No important news disclosed; general situation unchanged. Chicago July wheat higher at $1.25 1/2; Chicago July corn higher at 64 1/2¢. Visible supply wheat 27,986,000 bushels, a decrease of 3,017,000 bushels for week. Visible supply corn 31,856,000 bushels, a decrease of 852,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.43; No. 2 hard winter wheat $1.43; No. 2 mixed corn 59¢; No. 2 yellow corn 59¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.39.

Chicago hog prices steady to 10¢ higher, bulk of sales $10.35 to $10.85. Medium and good beef steers down 10¢ to 15¢ at $7.50 to $8.65. Butcher cows and heifers down 10¢ to 15¢ at $4.75 to $8.50. Sheep and lambs dropped 25¢ to 50¢; fat lambs at $10.75 to $13.10. Potato markets slow and weak at general jobbing range of $1.35 to $1.85 per 100 lbs. Florida Spaulding Rose down 25¢ to 50¢ in most markets at general jobbing range of $5.25 to $6.00. Texas yellow onions down 25¢ to 50¢ per standard crate in most markets. Carolina strawberries steady in most markets at 12¢ to 18¢ per qt. Florida tomatoes best sixes 25¢ in New York at $3.74 to $4.

Hay prices generally firm in eastern consuming markets where receipts of good hay are scarcely equal to the demand. Poor grades dull; demand in southern and central markets slow. Wheat feeds dull and lower; demand very light. Linseed and cottonseed meal dull with prices fairly steady. Butter markets steady to firm, but tone is sensitive account seasonal influence. Cheese markets steady to firm under active trading.

Spot cotton up 78 points, closing at 19.60¢ per lb. New York May futures up 109 points, closing at 20.93¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 15	May 13	May 15, 1921
20 Industrials	92.08	92.93	77.23
20 R.R. stocks	83.58	83.90	73.36

(Wall St. Jour., May 16.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 40. Section 1. May 17, 1922.

President Howard on Foreign Trade

J. R. Howard, president of the American Farm Bureau Federation, said last night, at the annual convention of the Chamber of Commerce of the United States, that the greatest problems confronting the American farmer to-day are transportation, including merchant marine; industrial production, international exchange, the balancing of European budgets, German reparations and the solution of the Russian problem. Mr. Howard declared the farmer has a greater direct interest in European conditions than has the merchant, manufacturer or banker, and has no other fields to which he can turn."There is no limit to the agricultural possibilities of America, he said, "and we should always produce a food surplus. But if we have that surplus, there must be a profitable market for it, and it is because that market lies almost exclusively in Europe that the American farmer has so vital an interest in the reconstruction of Europe." He suggested that the more than $10,000,000 European debt to the Government of this country be paid off by distributing to the citizens of this country goods received from Europe. (Press, May 17.)

J. H. Barnes Proposes Grain Marketing Plan

A new and broad system of hedging wheat and flour holdings in Chicago and other markets and arranging for adjusting market differences without bringing the wheat to Chicago or any other market for delivery, is proposed by Julius H. Barnes, former United States Wheat Director, and one of the largest grain exporters in the trade, according to a Chicago dispatch to The Washington Herald to-day. The report states that Mr. Barnes has given a synopsis of his plan to President McDougal and other officers of the Chicago Board of Trade, who are giving it serious consideration. Mr. Barnes states that present conditions in the wheat trade at Chicago and in all markets indicates the necessity of a broader system which would do away with moving wheat from Kansas City, where it is needed for milling, to Chicago to deliver on hedges sales made there, or moving the grain from any other of the big markets, or from Chicago to Minneapolis to fill sales made by hedgers placed in that market.

Wheat Export Profit

The Federal Trade Commission reported to the Senate May 16 that the average profit of wheat exported dropped in 1921 to one-third of 1 cent a bushel, as compared with an average of nearly 8 cents a bushel in 1920. (Press, May 17.)

Transportation

Howard Elliott, chairman of the Northern Pacific Railway Board, before the House Interstate Commerce Committee, May 16, opposed repeal of the Transportation Act so as to restore rate-making powers to State commissions. (Press, May 17.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 11 to May 13, 1922, inclusive, it approved 29 advances, aggregating $676,000, for agricultural and live-stock purposes in 12 States. During the week ending May 13, the corporation approved a total of 90 advances, aggregating $3,709,000. (W.F.C. press statement, May 15.)

"Eat More Meat" Campaign

The Farmer (St.Paul) for May 13 says in an editorial: "A few weeks ago we referred in these columns to the formation of the National Livestock and Meat Board made up of representatives from the producing, marketing and manufacturing branches of the live-stock industry. The various farm organizations and live-stock growers' associations have joined hands with the commission houses, live-stock exchanges, and the packers, in this new organization for the express purpose of increasing meat consumption, thereby widening the market outlet for farm live stock. The incentive for such action is furnished by the fact that meat consumption per capita has failed to reach the prewar basis. ... The cost of the 'eat more meat' campaign, according to the plans evolved by the National Live-stock and Meat Board, will amount to five cents per car of live stock shipped to the central markets. The buyer of the live stock will be asked to pay a similar assessment. The two assessments will produce a fund of approximately one hundred thousand dollars. As soon as shippers and purchasers of market live stock denote their willingness to submit to this assessment, the campaign will proceed."

Farm Credits

"As a result of the trying conditions in the agricultural world during the past year there is general agreement to the fact that the credit machinery of the country needs considerable tinkering if agriculture is to be properly served. Our existing financial system is fairly satisfactory in normal times, even though it has been built for the needs of business rather than for the needs of the farmer. The farmer can get along with the system when money is plentiful, providing he has a liberal-minded banker who will renew his notes as they expire every ninety days; but when the bank tightens up and forced liquidation of crops takes place, which happened last year, disaster comes to the farmer and to all the industries that depend on the farmer. The experience of the past year has conclusively proven that the farmer needs that intermediate sort of credit, suited to the agricultural turn-over, that lies between the short-time note and the long-time mortgage." (The Farmer (St.Paul) May 13.)

Foreign Trade 1.

America's foreign trade slumped in April after its recent advances, according to reports issued May 15 by the Department of Commerce. Exports for the month aggregated $321,000,000, compared with $330,000,000 in March, and imports totaled $217,000,000 against $256,000,000. Exports during April were lowest for any month of the current fiscal year and about $19,000,000 less than the same month a year ago, while imports for April were the lowest since February, when the total was approximately the same and were approximately $37,000,000 less than for the same month last year. For the ten months ended with April exports aggregated $3,131,000,000, against $5,850,000,000 during the corresponding months of 1921, while imports for the period were $2,095,000,000, against $3,264,000,000 during the ten months ended April, 1921. (Press, May 17.)

Foreign Trade 2. In an address on European conditions in their effect on American business, Joseph H. Defrees, president, of the Chamber of Commerce of the United States, said at the opening of the annual convention, May 16: "We shall be told that the foreign commerce of the United States is but 8 to 10 per cent of the total. Washington's farewell address will again be chanted in our ears as if we were still a puny, struggling Nation, and rail, steamer, telegraph, cable and radio had not been invented and played their part in the interim of over a century. But so long as it was our earnest belief that European instability was the greatest menace to American business, American stability, and American prosperity, we have only fulfilled our duty in placing it before you. To our critics let me give answer in the words of a prominent American business man who, aware of the seriousness of the situation, is apparently devoting his life to study of the European situation and advising his fellow citizens in regard to it: 'We like to call ourselves 100 per cent Americans and forget that this may mean 100 per cent provincialism,' and again, 'But if we are to be selfish, let us be intelligently selfish. That demands an understanding of Europe and a realization that we are inextricably involved in world affairs.'"

The Secretary of Commerce, speaking before the convention on the same subject, said: "Next to our domestic economic problems the matter uppermost in the minds of all of us must manifestly be the advance of Europe toward the degree of stability which we ourselves enjoy." The steps necessary for this attainment, Mr. Hoover declared, are such political relations between the states in Europe as will produce an atmosphere of peace and destroy the atmosphere of war, the reduction of armament to lessen Government expenditure and give confidence of peace, fixing of the inter-governmental debts, including German reparations, upon a definite basis of payment of interest and principal, which will create reasonable confidence that payment will be met, the balancing of budgets through reduction of expenditure and a cessation of the inflation in currency and short-time bills and the ultimate establishment of the gold standard with the assistance of either credits or gold loans. (Press, May 17.)

Forestry "We do not know where Snook's Corners is, but it is somewhere in New York State; it is a real place, and it is apparently a small village. Its name deserves to be known everywhere because its boys and girls, and men also, have set a noteworthy example in the matter of local reforestation, and have also given their reasons for doing this in one of the best statements on the subject we have ever seen. ... The thing started with the movement to stimulate interest in the rural school. The result was that the scholars were excused from their studies and assisted in planting two thousand white-pine trees across the road from the school. The purposes of the work are thus stated: (1) To provide a permanent windbreak for the school; (2) to do away eventually with the enormous snow-drift which accumulates nearly every year in the road and yard by the school; (3) to add potential value to the district; (4) to set an example of reforestation and to place before other communities the desirability of such betterments. This kind of thing is being done in many places, but Snook's Corners, so far as we know, is the first to suggest that every rural school should start a community forest."(The Outlook, May 17.)

Grain Statistics

The Associated Press reported from Omaha, Neb., May 12: "The Farmers' National Grain Dealers' Association in convention May 11 refused to accept the sales plan of the United States Grain Growers, Inc., but authorized the executive board to continue conference on the subject with the grain growers. The convention indorsed the plan for a statistical department to be worked in cooperation with the Departments of Agriculture and Commerce at Washington in gathering information for the farmers. It was announced that Mark W. Hickell of Chicago would go to Washington about June 1 and with the aid of the Departments of Agriculture and Commerce bring up to date charts for a 'wheat price barometer.'"

Live-Stock Financing

Wall Street Journal for May 16 says in an editorial entitled "Cattle and Credits": "If animals could voice opinions there would come such a chorus of bellows, bleats, squeals and neighs from the ranges of the West as to silence all opposition to the proposed extension of the life of the War Finance Corporation. But as they are dumb, the owners of an industry whose output last year, at deflated prices, was valued at $5,339,000,000, will voice approval. The remaining interests of the country may well inquire into the question and see if any lessons can be drawn from it. When the proposal was made to revive the War Finance Corporation, sound business men differed on the question. The first few months' experience proved there was no need to persuade foreign buyers to purchase goods for American dollars and take them to a home market of declining currency. Those who opposed the reviving of the corporation were justified by the logic of events. But the vision of the director was broad, and a later amendment to the act gave a wide scope for usefulness, more particularly by financing agriculture. Recently one of the vice presidents of a large bank in southern Texas gave The Wall Street Journal a long and interesting account of what live-stock industry went through in the period of deflation. Six months is the bank limit for live-stock loans, but as three years are necessary for a steer to liquidate the note for which he is security, the cattlemen must depend upon renewals. At that time values were shrinking, loans were being called, a long procession of breeding animals and immature stock was moving marketwards, livestockmen were going bankrupt and the industry was facing ruin. Then the War Finance Corporation came to the rescue and, according to this banker, saved the situation. ... Farm credits are now a leading question. Just as when the Federal Reserve was under discussion, there is a flood of suggestions but a drought of ideas. In the workings of this corporation may be found the germ of an idea for an institution that will remain a part of the existing financial structure and be able to adjust the process of financing to those of agricultural production and distribution."

Wool

A Boston dispatch to The Philadelphia Public Ledger for May 12 says: "Wool is moving rapidly, on an upward trend of prices. The territory wool market is excited. Pooling arrangements in territory wool country are disrupted, for growers are determined to sell outright, at present prices, and get their money as soon as the wool is shipped. About 85 per cent of the Oregon wools are reported sold. Prices in Oregon started at 27 to 28 cents for the best of early contracts, but lately 35 to 38 cents has been paid

freely, and a few choice clips touched 40 cents. Eastern Oregon has been fairly well cleared. Shaikoo and other good wools from northern Oregon brought 37 to 38 cents. Valley wools are getting under way, fine clips selling at 28 to 30 cents. In Utah and Nevada, practicall all good wools are sold or contracted. In central Idaho, 33 1/2 cent is reported paid for wools running largely medium. Owing to the bare condition of the Boston lofts, shipments East are being made rapidly to get all possible advantage from market conditions here."

Section 4.
MEETINGS, HEARINGS AND VISITORS.

Elmo Ragsdale, Extension Agent in Marketing at Athens, Ga., and Gorrell Shumaker, Agent in Marketing at Raleigh, N.C., are in Washington this week. They are conferring with Dr. H.C. Taylor and the specialists of the Bureau of Markets and Crop Estimates regarding marketing work in their respective States. They may be reached through the Division of Cooperative Relations of the Bureau of Markets and Crop Estimates.

Section 5.
MARKET QUOTATIONS.

Farm Products

May 16: Better feeling in grain markets; trade broader. Selling was acattered and mainly to take profits; undertone strong throughout and Chicago July wheat closed higher at $1.28 3/4; Chicago July corn higher at 65 1/8¢. Cash market strong with dark spring in good demand at higher premiums. Closing prices in Ohio cash market: No. 2 red winter wheat $1.45; No. 2 hard winter wheat $1.45; No. 2 mixed corn 59¢; No. 2 Yellow corn 60¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Ohio 49 1/2¢. No. 1 dark northern wheat in central North Dakota $1.38 1/2; No. 2 hard winter wheat in central Kansas $1.30.

Chicago hog prices steady to strong, bulk of sales $10.45 to $10.90. Medium and good beef steers steady to strong at $7.50 to $8.65. Butcher cows and heifers $4.75 to $8.40. Fat lambs steady to 25¢ lower at $10.75 to $13.10. Potato markets slow and weak; prices down 5¢ at Minnesota shipping points at $1.25 to $1.30; South Carolin in barrels steady in most markets; general jobbing range $4.50 to $5.50; shipping points $4. Texas yellow onions irregular in most markets at general jobbing range of $1.75 to $2. Carolina and Virgin strawberries, general jobbing range 20¢ per qt. Northern types sweet potatoes steady in New York and Chicago at $1.75 to $2.50. First cars Georgia peaches passed through Potomac yards to-day en route to New York.

Spot cotton up 13 points, closing at 19.73¢; New York May futures up 27 points, closing at 21.20¢.

Industrials and Railroads

Average closing price	May 16	May 15	May 16, 1921
20 Industrials	92.63	92.08	77.65
20 R.R. stocks	83.34	83.58	73.26

(Wall St. Jour., May 17.)
